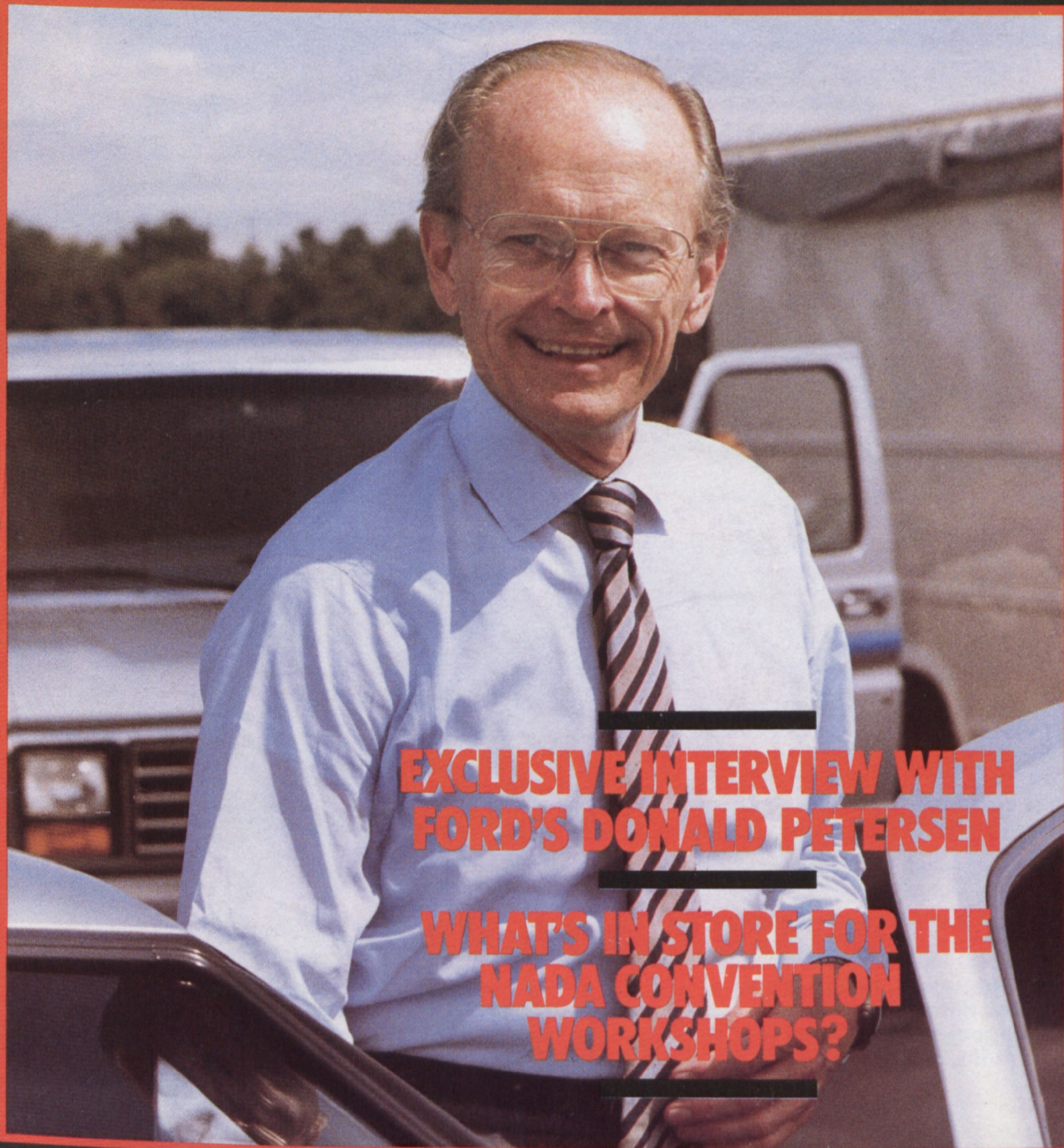


AUTOMOTIVE EXECUTIVE

JANUARY 1986 OFFICIAL PUBLICATION OF THE NATIONAL AUTOMOBILE DEALERS ASSOCIATION



**EXCLUSIVE INTERVIEW WITH
FORD'S DONALD PETERSEN**

**WHAT'S IN STORE FOR THE
NADA CONVENTION
WORKSHOPS?**

**Saturday,
February 1st,
all your movie dreams
come true.**

Universal Underwriters presents
one of the great parties of
our time. At the 1986
NADA Convention.

You ought to be in pictures. At least once.

And that "once" happens at the 1986 NADA
New Orleans Convention, when Universal
Underwriters presents "Great Movies of
our Time."

Starring you, in *Casablanca*; *The Music
Man*; *New York, New York*; *Oklahoma*;
Treasure Island and *2001: A Space
Odyssey*.

NADA Dealer Members and their guests
are invited to revel, for three unforgettable
hours, among the music, choreography and
cuisine of these silver-screen classics as
only Universal can "produce" them.

Admission? Just bring a keen sense of
humor, romance and adventure. And join us
in saying, "Eat your heart out, Hollywood!"

Live the "Great Movies of Our Time."
Saturday, February 1, 1986; 6-9 p.m.
New Orleans Hilton Hotel
Grand Ballroom & Grand Salon
(Poydras at the Mississippi River).



THE SPECIALISTS

UNIVERSAL UNDERWRITERS GROUP

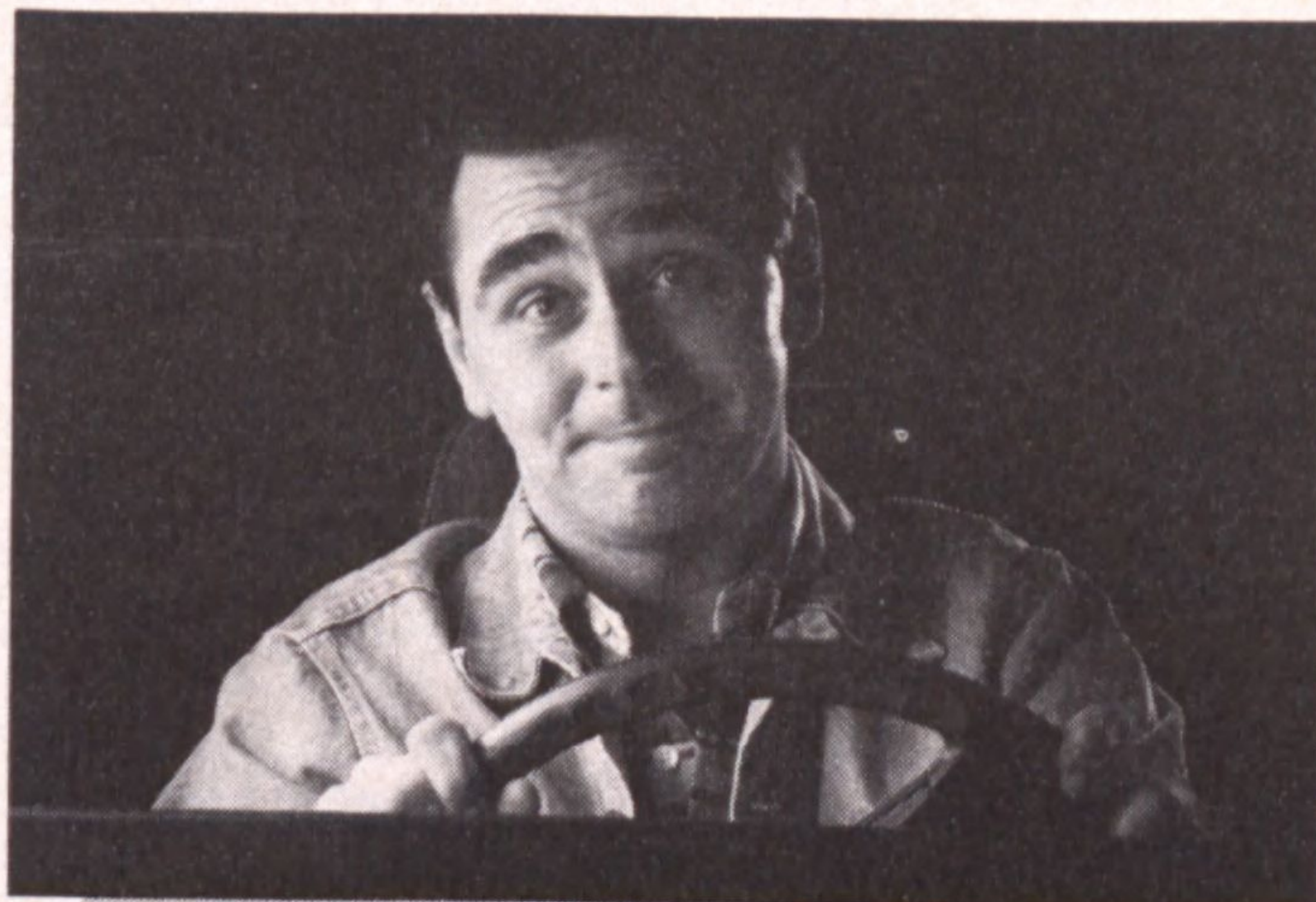
5115 OAK STREET, KANSAS CITY, MO 64112

Circle #22 on Reader Service Card

When something costs this little and does this much...



"You're kidding!
Only \$115.00 for Tilt-Wheel?!" (Click, sold)



"I get six different positions in my truck — at
less than twenty bucks apiece!" (Click, sold)



"I love it when I get this much for
my money!" (Click, sold)



"It sure adds a lot of value to my
little car." (Click, sold)



"\$115.00 to have 'tilt' on my van? That's nothing.
Not if you get 95% back at resale!"* (Click, sold)



"I don't think I'll ever buy another car
without it!" (Click, sold)

...one click, and it's sold.

Just look how people react when they discover how inexpensive Tilt-Wheel Steering is. Only \$115.00, manufacturer's suggested retail price. See those happy faces? So, what happens when they find out how much resale value Tilt-Wheel has? More happy, smiling faces.

But, give those people a chance to see how six-position Tilt-Wheel adjusts to help fit the car to the driver, and watch their expressions change. Happy, smiling, convinced, where-do-I-sign faces!

Tilt-Wheel Steering from Saginaw.
One click, and it's sold.

*Based on current leading used-car guides.

Tilt-Wheel
It does so much... yet costs so little.



Circle #18 on Reader Service Card

Innovations in Profits

For nearly 200 years, the most innovative paints in Europe have been produced by one company: SIKKENS.[®]

The Sikkens SYSTEM TECHNIQUE is designed to upgrade your Body/Service Department's profitability while decreasing the amount of time the Department spends on preparing and painting autos.

Sikkens covers all aspects of training your employees thoroughly in the SYSTEM TECHNIQUE as well as providing continuous technical support for particularly difficult jobs.

No other automotive aftermarket

paint can match Sikkens Autobase[®] or Autocryl[®] acrylic urethane enamel finish for color, shine, gloss retention and durability.

But the Sikkens System goes deeper. To the anti-corrosive primer and filler.

To the world's most advanced color matching and mixing system — the Sikkens Caroussel.[™] With the Caroussel over 12,000 colors can be easily formulated to match almost any original color.

Sikkens Autobase basecoat/clearcoat also provide the deep-down color and gloss found on the finest autos

manufactured today.

Find out more about the most innovative, technologically advanced automotive refinish system available in America. Contact Sikkens today.

See us at the National Automotive Dealer Association Show (NADA) Booth #1652-1654.

sikkens[®]

6455 Jimmy Carter Boulevard
Suite 100

Norcross, Georgia 30071

Tel. (404) 662-8464

A division of Akzo Coatings America Inc.



Automobile provided by ASC/McLaren

• ATLANTA
• BOSTON
• CHICAGO

• CLEVELAND
• DALLAS
• DENVER

• DETROIT
• FT. LAUDERDALE
• HOUSTON

• LOS ANGELES
• NEW YORK
• PHILADELPHIA

• PITTSBURGH
• PORTLAND
• ST. LOUIS

• SAN DIEGO
• SAN FRANCISCO
• SEATTLE

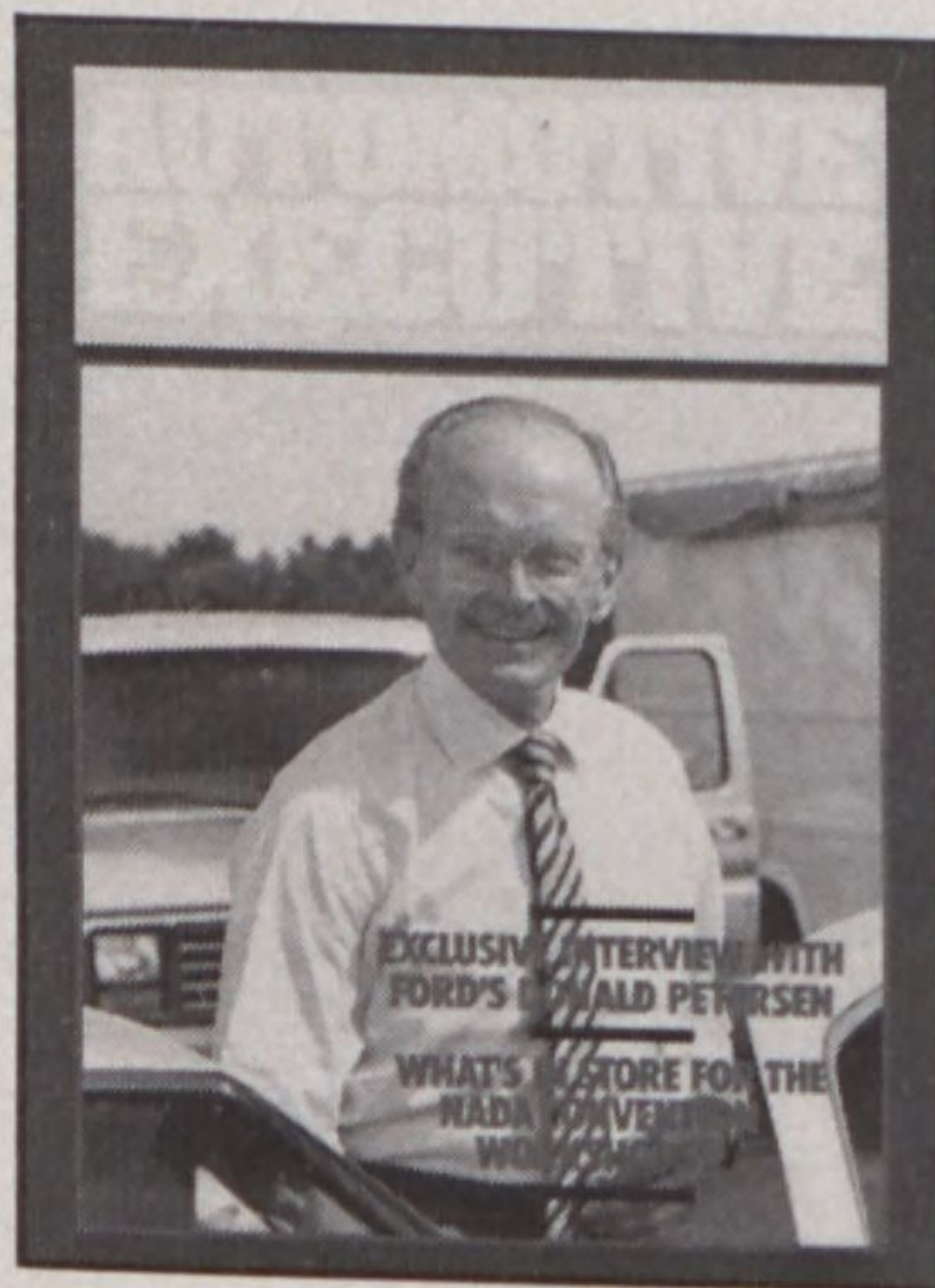
• TAMPA
• WASHINGTON/
BALTIMORE

Circle #19 on Reader Service Card

© 1985 Sikkens

AUTOMOTIVE EXECUTIVE

OFFICIAL PUBLICATION OF THE NATIONAL AUTOMOBILE DEALERS ASSOCIATION



Cover photo of Donald Petersen courtesy Ford Motor Co. Design by Bono Mitchell Graphics.

January 1986
Volume 58, Number 1



Automotive Executive (ISSN 0195-1564) is published monthly by the NADA Services Corp., a wholly owned subsidiary of NADA, 8400 Westpark Drive, McLean, VA 22102. A subscription (worth \$12) is included as one of NADA's membership benefits. Subscription rates delivered prepaid in the U.S. and U.S. possessions: \$12 per year, \$15 elsewhere. Single copies delivered prepaid: \$2. Second-class postage paid at McLean, VA, and at additional mailing offices. Copyright 1985 by the NADA Services Corp. The statements and opinions expressed herein are those of the individual authors and do not necessarily represent the view of *Automotive Executive*, the NADA Services Corp. or the National Automobile Dealers Association. Likewise, the appearance of advertisements does not constitute an endorsement of the products or services featured.

Postmaster: Send address changes to *Automotive Executive*, 8400 Westpark Drive, McLean, VA 22102-3593.



FEATURES

Computer Update One: Keeping Confusion From Turning to Chaos

Knowing how a computer fits the needs of your operation, what your goals are and the level of service and training available are important considerations when choosing a system.

12

Computer Update Two: The View From the Service Department

Advances in scheduling, dispatching, invoicing and merchandising have made computers indispensable tools in the backshop.

20

Ford's Fresh Look: An Exclusive Interview with President Donald Petersen

Ford's chief executive speaks out on dealer relations, customer satisfaction, Taurus/Sable, the Alpha project and more.

31

Joe Kordick's Parts and Service Mission

Ford's general manager of parts and service explains how a change in company philosophy is improving business for dealers.

35

NADA Convention Workshops: What's In Store?

Once again, NADA offers a full slate of "don't miss" workshops, designed to keep dealers up to date on the latest developments in management, sales and service.

38

The Year of the Woulfe

Meet NADA's President-Elect, a savvy Ford/Chrysler-Plymouth dealer from Dublin, CA with years of industry involvement.

44

COLUMNS

Commentary
Transition 5

Regulatory Report
Dealer Safety Standards 26

DEPARTMENTS

20-Group Ideas 6

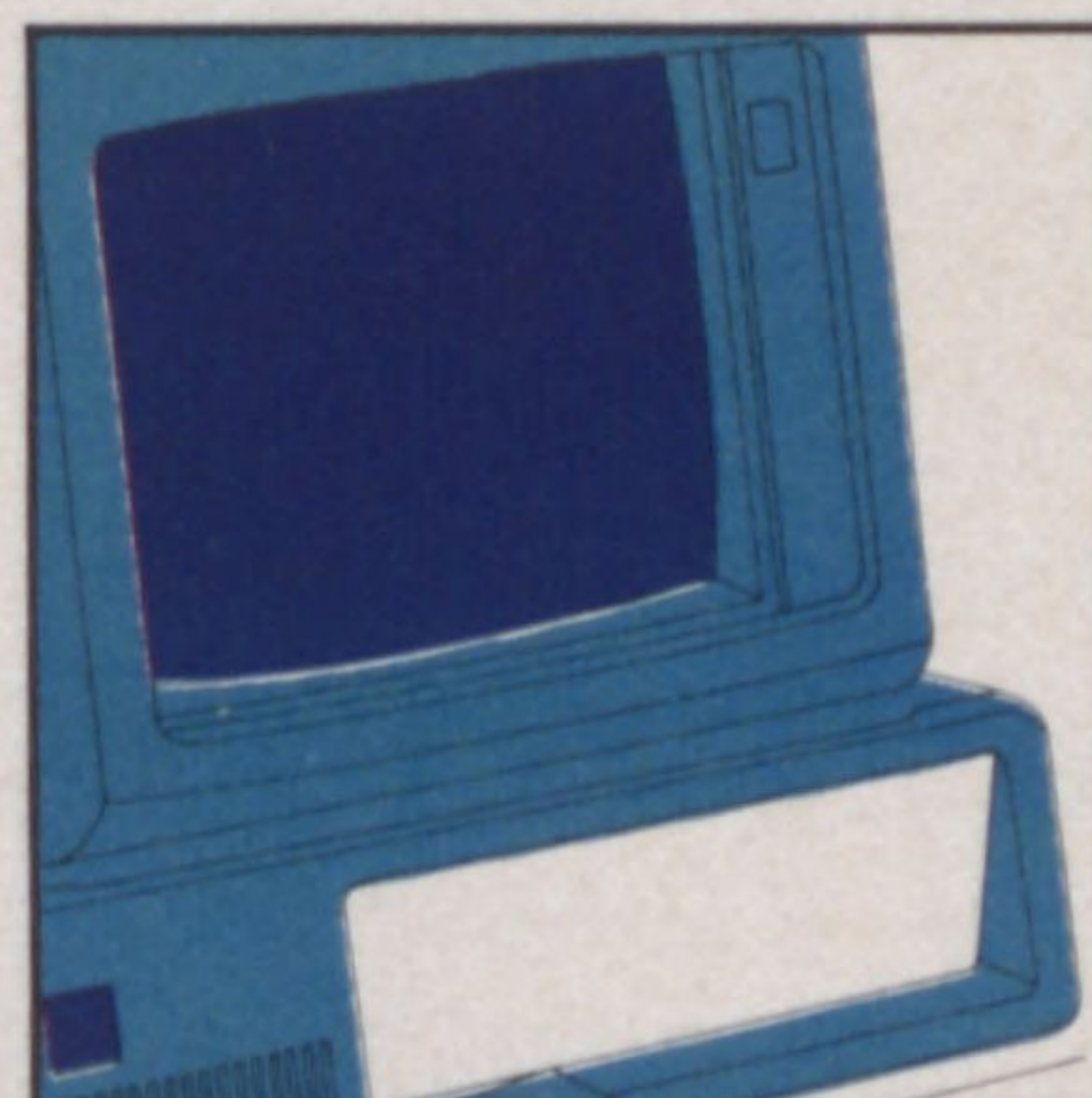
Letters 6

Executive Notes 8

Calendar 50

Auto Association News 53

Showcase 55



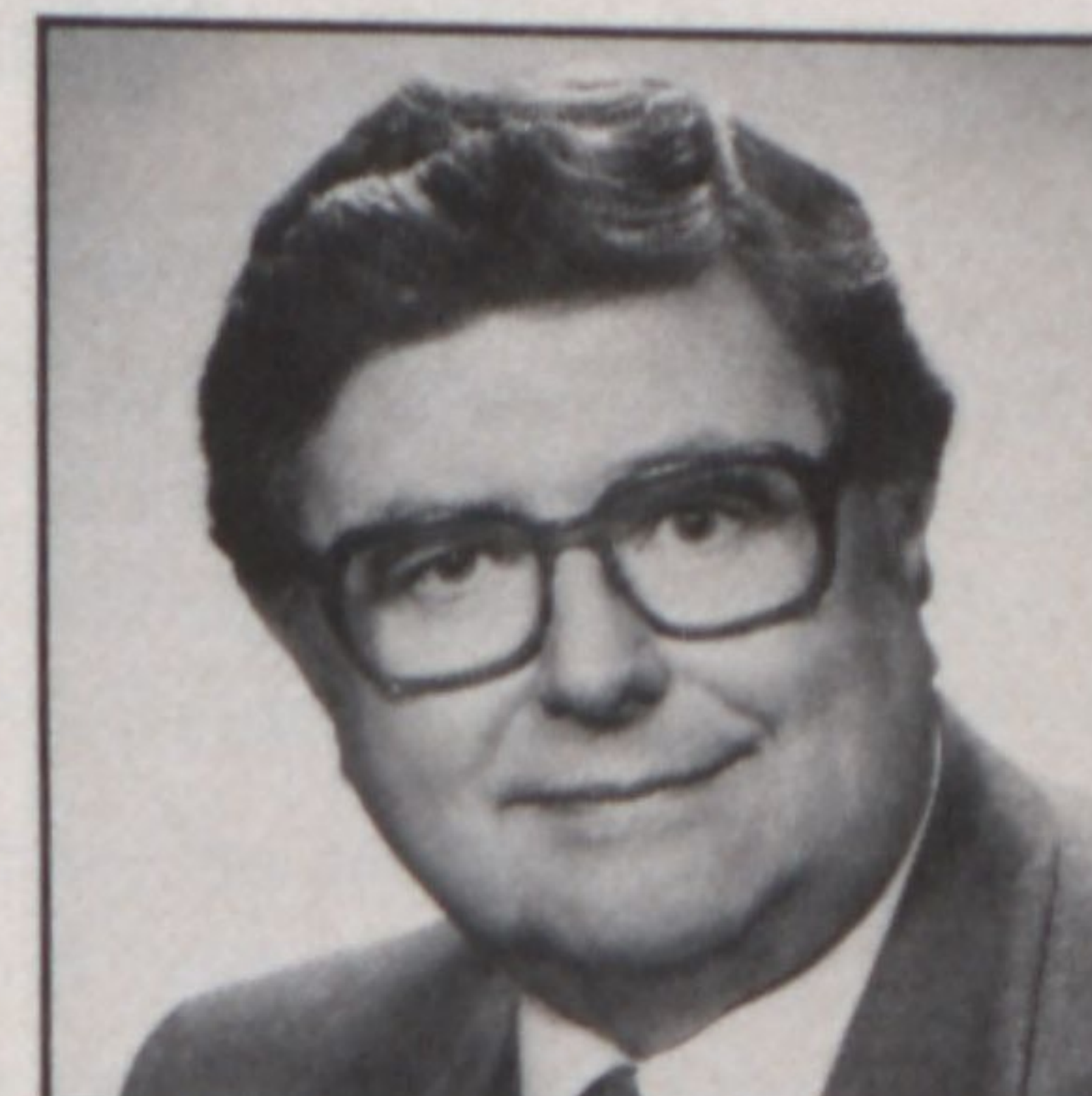
12



31



38



44

I WANT YOUR SX-330*



AND I'LL BUY IT BACK FOR WHAT YOU PAID FOR IT!



*Includes SX-330, SX-350 and MP-16.

Now, Oakleaf will make you an offer you can't afford to pass up. We'll buy back your older model Oakleaf at your original purchase price—regardless of what you paid for it—with the purchase of a new Oakleaf system.

All the features of our latest "state-of-the-art" technology and software can be yours, including immediate "over-the-phone" programming changes with Oakleaf's exclusive TeleForms system, and better service through remote "on-line" diagnostics. And, best of all, you haven't lost a penny.

Your Oakleaf SX-330 has provided years of troublefree operation. But, now that it's getting older, it's more subject to breakdowns, parts are getting harder to find, and repairs are becoming more expensive. Also, "chip-based" programming and software maintenance is costly and time-consuming to support.

APPLICATIONS AVAILABLE WITH YOUR NEW OAKLEAF SYSTEM

F&I
SALES MANAGEMENT
VEHICLE MANAGEMENT
SERVICE
ACCOUNTING
PARTS INVENTORY/
INVOICING
PAYROLL
COMMUNICATIONS



100% OF YOUR ORIGINAL OAKLEAF INVESTMENT APPLIED TO NEW OAKLEAF SYSTEM!

**CALL YOUR TERRITORY MANAGER OR THE MODEL CHANGEOVER CAMPAIGN
HEADQUARTERS TODAY! 1-800-423-3681**

oakleaf

Circle #16 on Reader Service Card

AUTOMOTIVE EXECUTIVE

Official Publication
of the
National Automobile Dealers
Association

Editorial Office: (703) 821-7150

Director of Publications, Peter S. Lukasiak
Managing Editor, Gary James
Associate Editor, Joan Mooney
Assistant Editor, Gerry Donohue
Contributing Features Writers, Ted Orme
and Mary Anne Shreve
Production Manager, Donald E. Wheeler
Graphics Specialist, Mary Quiring
Editorial Assistant, Carol Bowlds
Design Consultant, Bono Mitchell

Advertising Offices

National Advertising Manager
Patricia Sweeney, 8400 Westpark Dr.,
McLean, VA 22102, (703) 821-7160

Eastern Sales Representatives
Ralph Miller, Bob Nelson, John Pearsall,
120 Main St., Irvington-on-Hudson, NY 10533,
(914) 591-5053

Midwest Sales Representative
Ken Geelhood, 16850 Saturn Lane,
Suite 100, Houston, TX 77058,
(713) 488-8417

Western Sales Representative
Stuart Kessel, 15720 Ventura Blvd.,
Suite 610, Encino, CA 91436,
(818) 906-1816

Van/RV Representative
Beverly K. Gardner, 29089 U.S. Highway
20 West, Suite B15, Elkhart, IN 46514,
(219) 293-2517

1985 NADA Officers

President

William J. Symes, Pasadena, CA

First Vice President

James B. Woulfe, Dublin, CA

Treasurer

Anthony Ursomarso, Wilmington, DE

Secretary

Jack T. Price, Albuquerque, NM

Immediate Past President

James P. Jennings, Glenview, IL

Vice Presidents

William D. Cammarano, Needham
Heights, MA

James T. Caplinger, England, AR

Ray Green, Jacksonville, IL

Jerry Hayes, Salt Lake City, UT

ATD Chairman

Arnold Lessing, Denver, CO

Executive Vice President

Frank E. McCarthy, McLean, VA

Communications Committee Chairman

Alfred P. Shockley, Frederick, MD

Publications Subcommittee Chairman

Jan W. Rozendaal, South Burlington, VT



NADA Commentary

Transition

January seems a transition time for most dealers across the country.

This year, it's the time between the greatest new-car sales year in history and the industry's premier event for gathering facts, ideas and information to help make next year equally good.

That chance comes next month at the 69th NADA Convention and Equipment Exposition—this year in New Orleans.

What does it offer you?

Let's say that you've paid out last year's sales bonuses and you've just weathered the "black hole" of the holidays. You're reading forecasts of reduced sales ahead and you wonder what's going on.

You're in luck. NADA will feature 44 expert workshop speakers to advise you on all aspects of your store and successful business philosophies. You will also be able to gather advice from more than 10,000 other dealers who will attend the show, too.

This month you're holding mental wrestling matches with accountants and attorneys—and the prize is taxes to be paid. Countless federal, state and local forms must be filled out, signed and submitted. And you're doing all this with an eye on the headlines, wondering about the outcomes of the national debates on taxes and trade policy. No matter what the resolution, they will affect your business.

Well, you may be able to get the facts directly. Vice President George Bush, a featured convention speaker, is sure to give attending dealers the Reagan administration's current view of both issues.

You'll most certainly get a businessman's viewpoint from U.S. Chamber Board Chairman Frank Morsani—the first dealer ever to hold this

office and another convention speaker.

Now, if the impact of current manufacturer policies is bothering you, what better place to discuss price changes, fleet sales, floorplanning cost adjustments, product decisions and availability, or even the latest twist in customer satisfaction measurements than with fellow dealers from throughout the land?

As to the manufacturer viewpoint on quality or the economy, dealers in New Orleans will have an opportunity to hear Ford Co. Chairman Donald Petersen discuss his company's plans and policies as well as Ford's view of the economy.

Suppose you've had some equipment breakdowns in your backshop and you need replacement tools. Maybe your service manager wants to purchase an expensive computer analyzer which, he claims, is essential to maintaining service quality on new models. Perhaps you question the price and are a bit unsure of its real value to your operation.

At the NADA equipment exposition, you can sample the wares of some 215 suppliers of equipment and services. Best of all, you'll find expert advice in each booth. Incidentally, that's the largest number of exhibitors ever.

When you wrap that business package in the city of New Orleans, fresh from its recent World's Fair facelift, we think you have the perfect medicine to carry your spirits through the doldrums of this month, into the challenging business year ahead.

If you're a dealer, our advice is: Don't miss New Orleans. You could miss the one idea that will make your business fly in 1986.

—Pete Lukasiak

20-Group Ideas

Phone tips

Ed Burns of Burns Pontiac in Marlton, NJ believes that by following a few steps, your telephone operator, and all dealership employees having phone contact with customers, can brighten your customers' days and increase their inclination to do business with your dealership. They should consider how their calls were answered and what their frame of mind was at the end of the conversation.

- Calls should be answered within five rings.

- Employees should answer politely, by name, and slowly enough to be understood.

- Proper grammar, pronunciation and enunciation are imperative. Disregarding these rules can create very poor impressions of your dealership.

- "Thank you," "please" and "you're welcome" should be used to the maximum.

- Your employees should smile when they talk. A cheerful tone creates a favorable impression.

- It is very important that the employee never sound annoyed, even when confronted with impatient, rude customers. ■

Basics of selling

At Van's Midtown Volvo in Albuquerque, NM, A.J. Vanlandingham has found that the salespeople need a daily reminder of the basics of selling. He has started a daily memo to all salespeople called "Daily Sales Tip," distributed each morning. The short paragraph consists of any aspect of selling he feels needs to be addressed. ■

Employee CSI survey

Robert Rebbec's dealership, Rebbec Pontiac-Buick Inc. in Normal, IL, surveys employees for their perception of customer satisfaction. "I thought it beneficial to learn whether or not my employees thought they were doing a good job," Rebbec says. He copies the CSI survey and encloses it in the payroll envelopes, asking employees to fill out the questionnaire as if they were customers.

"The feedback was tremendous," he says. "The wonderful thing, though, was that my people found out how much bet-

ter they can do."

All Rebbec's employees are paid bonuses according to the CSI ratings in the job area they affect—from the cleanup people to mechanics to the sales force. Their present goal is very high. For example, salespeople get a bonus if their individual score is at 95 or above for the most recent period measured.

The program was kicked off at a meeting where the dealer outlined the goals of the business and showed a film about CSI. Each payroll check carries the motto, "Think Customer Satisfaction" to remind employees who *really* pays salaries. ■

Dealership tour

Joseph Alosa Sr., owner of Patsy's GMC-Kenworth-Mercedes Benz in Concord, NH, passes on his idea for improving dealer image. In his city, the business owners and managers associated with the local Chamber of Commerce choose different businesses to visit after the regular working day. His dealership will be one of the businesses toured.

The purpose of the visit is to help local businessmen gain an understanding of the dealership's daily operations and to see how various systems and departments work. Alosa also visits other businesses participating in the program, and sometimes gets ideas to use in his dealership. The program strengthens business relationships and increases awareness of others' businesses. ■

Monthly "gofer"

Each month, a "gofer"—the salesperson who has earned the lowest commissionable gross for the preceding month—is chosen at Tri-City Dodge in Somersworth, NH. Duties include securing the building at closing time and policing the yard for dealer plates and unlocked cars. The gofer is always the last one to leave the dealership and is also responsible for overseeing the rearrangement of the new and used-car lots.

"We have found that there is no amount of monetary compensation that will motivate a salesperson any better," says dealer Rene Plante. "Nobody, but nobody, wants to be gofer of the month—and best of all, it doesn't cost anything." □

Letters

Belt law progress

We were delighted to see the article on the important contribution made by automobile dealers in the successful campaigns to enact state safety belt-use laws. Broad-based coalitions of concerned citizens, business associations and private organizations have played a vital role in enacting these life-saving statutes, and we sincerely appreciate the ongoing contributions by members of NADA.

The enactment of 16 state belt-use laws to date is strong evidence of this nation's commitment to reduce traffic injuries and deaths. We have made progress in improving traffic safety in recent years, and I believe that the combined efforts of government and the private sector will allow us to make further improvements.

Transportation Secretary Elizabeth Dole and I look forward to NADA's continued support for safety belt-use laws, and in helping to familiarize the motoring public with new automatic occupant protection systems as well. Together, we can make a real life-saving difference for thousands of our fellow citizens. ■

DIANE K. STEED

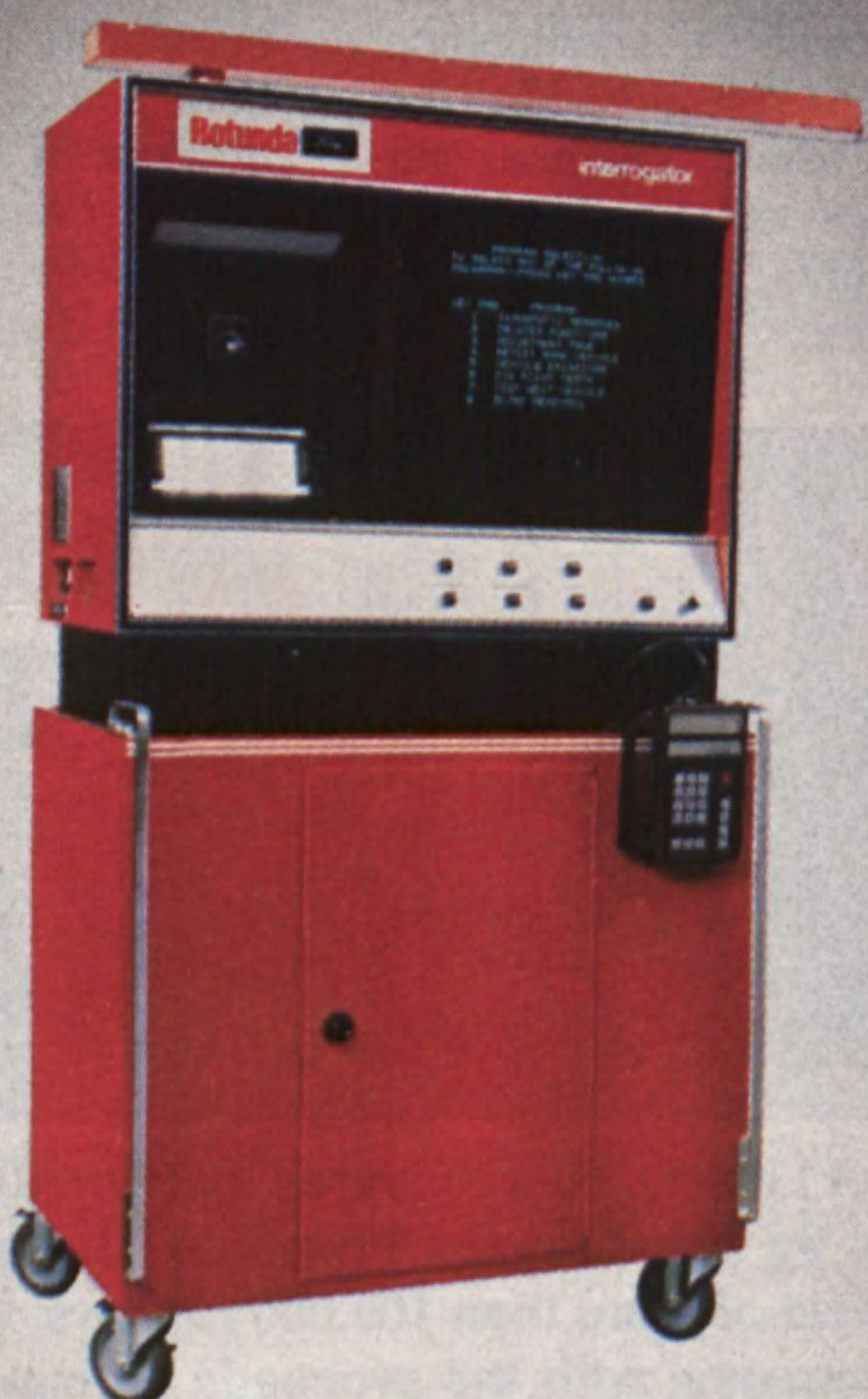
Administrator
National Highway Traffic
Safety Administration
Washington, DC

Sales Trak clarification

I would like to clarify a point made in the article about Sales Trak in the November issue of *Automotive Executive* magazine. Sales Trak is designed to follow up on 100 percent of all unsold prospects within 24 hours; the 33-percent figure mentioned on page 22 is the minimum number of prospects we expect to get back into the dealership.

Sales Trak is an NADA program designed to control better the selling and following up procedures in a dealership. More than 1,300 dealers participate, with the typical participant improving sales as much as 60 percent. ■

STEVE WANCIK
Manager
Sales Trak
McLean, VA



Rotunda 
RIGHT FOR TODAY • RIGHT FOR TOMORROW

ATTENTION: Ford and Lincoln-Mercury Dealers

Diagnose Engine and Electrical
Systems Quickly, Accurately
and Profitably

Rotunda Computerized Engine Analyzers

Diagnosing problems on today's sophisticated engine systems is a challenge. Rotunda computerized engine analyzers are specifically designed to meet that challenge!

Rotunda offers a wide choice of computerized engine analyzers — each one extensively evaluated for use on Ford and Lincoln-Mercury vehicles. The analyzer that is "right" for your service operation is available right now from Rotunda.

This current generation of diagnostic equipment is programmed to tell the technician exactly what and where a problem is...and what to do to correct it. A good example of "QUALITY CARE" in action!

Plan today to increase your service profitability in 1986 and beyond. Contact your District Office or call Rotunda's toll-free HOTLINE for more information and to arrange a demonstration. The number is 1-800-762-6181 (in Michigan only 1-800-762-6182).

After 23 years of service to Ford and Lincoln-Mercury Dealers
ROTUNDA STILL IS RIGHT FOR TODAY —
RIGHT FOR TOMORROW.
Circle #12 on Reader Service Card

Executive Notes

Yugo America names two dealers to board

■ Yugo America Inc.'s decision to put two car dealers on its board of directors and to create a separate dealer advisory group is just one more way the fledgling company is breaking ground.

Richard Loehr Jr., president of Dick Loehr's Inc. in Kalamazoo, MI, and Raymond Van Duren, president of Ramsey Auto Imports on 17, Ramsey, NJ, were asked to join the Yugo board in October, making Yugo the only auto manufacturer with dealers on its board.

"We have made a decision to cultivate a close, positive working relationship with our dealers," says William Prior, president of Yugo America. The former president of Subaru says he wants to break down the "natural tension" between dealers and manufacturers, because dealers have a retail expertise that is lost unless manufacturers make the effort to pick dealers' brains.

Prior also points out that with Yugos selling for \$3,900 apiece, Yugo America couldn't afford the average \$300 per car an importer pays to independent regional distributors.

"But the distributor plays the important role of being a buffer for the importer," he says. "We didn't want to give that up, so it was logical to include the dealer in the information flow."

Following what he calls a "no wall policy" that goes a step further than an open door policy, Prior picked the members of the dealer advisory group in April, and says he has found their different perspective helpful. The dealers helped select a national advertising agency and discussed the presentation and merchandising of the Yugo with its representatives. The dealer advisory group approved the creative concept of the ads before they went into production, which is unusual.

Members of the dealer advisory group also went to Yugoslavia to approve the first month's production. They met with factory personnel and the president of Zavodi Crven Zastava, which makes Yugos, and shared ideas

about the size and scope of the U.S. market.

Richard Loehr serves on the dealer advisory group as well as the Yugo board of directors. As a car dealer—both domestic and imports—with 25 years' experience, he has a dual perspective. He has his own theory on why Yugo asked dealers to sit on its board.

"It's hard to sit in their New York office and know what the public is thinking," he says. "Every automobile trade magazine said Yugo wouldn't fly—it was too underpriced, it wasn't high-tech enough. But they forgot to ask the public."

Loehr had only attended one board meeting when he was interviewed by *Automotive Executive*, but he already had a feel for what his role would be.

"The dealer thinks retail," he says. "The rest (of the board members) are investors or bankers. They only see dollars and cents or percentage figures. But percentages don't sell cars."

Loehr, as a member of the board, has helped make rules about who and how many dealers get the franchise, as well as pricing. One in 10 dealers in the country has applied for a Yugo franchise, he says. Points are chosen on the basis of strength, size, service reputation and longevity.

Loehr also has helped draw up the rules that must be followed before a dealer even gets any cars. The mechanics, service manager and office manager all must be trained first, and the parts must be installed. The computer system must be in good working order.

"The biggest mistake most importers made is that they brought the cars over, and then they worried about parts and training," says Loehr.

Yugo America had 105 dealers as of mid-November, with plans to expand to 200 by the end of April.

Bill Prior obviously feels strongly about his plan to include dealers in all phases of the manufacturer's operation.

"It shows Yugo's confidence in the franchise system," he says. "We think dealers are the best people to sell and service cars."

The members of Yugo

America's dealer advisory board are: Alfred M. BosAnjos, Blackstone Super Inc., Pawtucket, RI; Richard S. Dyer Jr., Dyer & Dyer Inc., Chamblee, GA; Jack English, English-Tucker Auto City Inc., Lawrence, MA; Allen Gaines, Fireside Imports, Fireside Chrysler-Plymouth, Schaumburg, IL; Lou Gannett, Crinconi Oldsmobile, Philadelphia, PA; Kenneth L. Hagen, Gateway Toyota Inc., Toms River, NJ; Richard I. Loehr Jr., Dick Loehr's Inc., Kalamazoo, MI; Rick Porter, William H. Porter Inc., Newark, DE; Luke Potter, Luke Potter Dodge Inc., Winter Park, FL; and Roland F. Willis Jr., Roland Willis Jr. & Son Inc., Burlington, NJ.

Ford joins future

■ Ford Motor Co. has acquired a minority interest of about 10 percent in each of two artificial intelligence software firms, Carnegie Group Inc. of Pittsburgh and Inference Corp. of Los Angeles.

Ford's combined equity investment, development contracts and technology transfer agreements with the Carnegie Group total about \$14 million; the agreement with Inference also will total up to \$14 million. Both companies are privately owned.

Ford President Harold Poling says of the agreements, "We believe that artificial intelligence technology has progressed to the point that expert systems will have practical value to Ford in its design, manufacturing and financial activities."

Artificial intelligence refers to computer-related applications such as machine vision, speech recognition and natural language programming. It also includes computer programs called expert systems, software that contains the problem-solving capabilities of a human expert in a specialized field.

Inference's initial work with Ford will be on expert systems for financial services and in industrial engineering applications for vehicle assembly. Carnegie Group is working with Ford to improve customer service through the use of artificial intelligence diagnostic software systems.

Complaints rise

■ Car dealers ranked third in the businesses receiving complaints from customers through the Better Business Bureau in 1984, according to a BBB study. The 169 BBBs across the country received 26,393 complaints, 6.8 percent of the total. That's an increase of nearly 200 from the year before, when car dealers were the subject of 6.4 percent of consumer complaints. Car dealers came in third, after mail order companies and home remodeling.

On the good side, franchised auto dealers were fourth among all respondent retailers in settling complaints brought to their attention. The BBB showed a resolution rate of 87.1 percent for dealers, after nursing homes, catalog showrooms and miscellaneous product dealers.



The Run for Liberty, co-sponsored by Plymouth and Stroh's and supported by the Chrysler/Plymouth Dealer Association, attracted a field of more than 100,000 runners, walkers and wheelchair contestants, with the proceeds earmarked for the Statue of Liberty restoration. The Detroit event drew nearly 2,000 contestants despite the rain.

Air bags offered

■ Mercedes-Benz is the first auto manufacturer to offer air bags as standard equipment in all its 1986 cars. Driver-side air bags and a seat belt system that tightens around the front-seat passenger in a crash will be installed in all 90,000 1986 model Mercedes expected to be sold in the United States over the next year, a company spokesman said.

Ford Motor Co. will offer driver-side air bags as an option on 1986 Ford Tempo and Mercury Topaz four-door sedans starting with March production, with a suggested retail price of \$815.

The action is prompted by good experience offering the system on the four-door Tempo since early 1985 to fleet customers as a limited production option.

During the 1985 model year, fleet buyers, including the federal government, bought 7,400 air bag-equipped cars. Among those, 200 accidents were reported to Ford, but only 20 were serious enough to cause the air bags to deploy. In those 20 accidents, 17 drivers reportedly were wearing seat belts. There were no fatalities, no serious injuries and 13 minor injuries.

The air bag system, intended to be used in conjunction with seat belts, has sensors that monitor impact forces and changes in speed. When the sensors detect a force equivalent to a 25-mile-per-hour crash into a parked car, the air bag deploys. When inflated, it becomes a round cushion about 26 inches in diameter.

Gray market law

■ New York has the first state gray market disclosure law, effective Oct. 22. It applies to any brand name products imported into the United States through channels other than the manufacturer's authorized U.S. distributor and purchased by a consumer for use primarily for personal, family or household purposes.

All merchants in New York state who offer for sale gray mar-

ket merchandise must disclose that the products are not: "a) accompanied by the manufacturer's warranty valid in the United States; or b) accompanied by instructions in English, or c) eligible for a rebate offered by the manufacturer." The law applies to mail order and retail merchants. Failure to provide such notices may result in fines of up to \$500 for each violation.

Northwood gift

■ Two former car dealers have given over \$300,000 to the Northwood Institute, a business management college in Midland, MI.

The donors, Ross and Bertha Fanning of Gresham, OR, owned and operated a Chevrolet dealership for nearly 30 years. They learned about Northwood through former NADA President Lyman Slack, and became interested in the degree programs in automotive marketing Northwood developed in cooperation with NADA.

Northwood offers associate's degrees in automotive marketing, truck marketing and automotive replacement management, which trains students for the aftermarket. In fall 1986, the Institute will offer, for the first time, a concentration in automotive servicing management, which will include technical training.

Sales forecast drops

■ Sales and production forecasts for 1986 from the Automotive Market Research Council for North American passenger cars and light trucks show a decline from 1985 projections, indicating the evolution of the international market in the United States.

The Council, composed of 100 automotive suppliers and vehicle manufacturers, forecasts 8.2 million production units for North American cars and 3.65 million production units for North American light trucks—down from its 1985 projection of 9.1 million cars and 3.9 million trucks.

A decline is seen in sales, too, with a 1986 projection of 10.5 mil-



The U.S. government provided Ford Motor Co. with its biggest sale of Ford Extended Service Plans ever, amounting to \$2.1 million, covering its 10,400 1985 Ford vehicles. Above, the General Services Administration's Director of the Inter Agency Management System, Sean Allan (left), delivers half the amount—a check of \$1 million—to John McEachern, fleet manager for ESP Sales at Ford.

lion passenger cars, down from the 1985 forecast of 10.85 million. Light truck sales show only a slight decline, from 4.2 million to 4 million.

For the five-year outlook, the Council projects sales of U.S. passenger cars in 1990 at 11.1 million, with imports at 30.2 percent of sales. The increase from 1985 is likely to come largely from more import manufacturers' North American sites.

Dealers in the News

• Anniversaries:

50 years:

- *Larry Wehrs, Wehrs Chevrolet, Bangor, WI
- *Clifford J. Awald, Lou Awald Chevrolet, Kenmore, NY
- *Thomas B. Dodson, Tompkinsville Chevrolet, Tompkinsville, KY
- *Virginia B. Fritsche, Bennett Chevrolet, Pleasantville, NJ
- *Tal J. Williams, Traders Chevrolet, Greensboro, NC
- *Robert B. Bernard Jr., Bobby Bernard Oldsmobile, Lafayette, LA
- *Arnold K. Jerome Jr., Arnold Jerome Cadillac, Pontiac, MI
- *C. Clark Buckman, Lee C. Buckman, John F. Gerew, Peter J. Pelligrino, Bonenblust & Buckman, Rochester, NY
- *Herbert E. Wright, Wright Pontiac, Wexford, PA
- *Charles D. Nash, Capitol

Chevrolet, Austin, TX

*Bill Blacker, Strong Brothers Chevrolet, Syracuse, NE

*Nelson L. Sweeney, Thomas D. Sweeney, Sweeney Chevrolet, Clarence, NY

*Hallan J. Usher, Usher Oldsmobile, Downingtown, PA

*Albert L. Kitterman, Kitterman Motor Co., Corydon, IN

*L. Wilson Howes, Wilson Pontiac-Honda, Silver Spring, MD

*Kenyon Dodge, Clearwater, FL

40 years:

*Reco Motors, Fairmont, MN

25 years:

*Joe Steffey, Broadway Garage, Newburgh, NY

*F.B. Bennett, Frank Bennett Chevrolet Co., Marion, OH

*R.E. Fast, D&F Chevrolet, Jeromesville, OH

*Dick Senftner, Senftner Chevrolet Inc., Herreid, SD

*C.M. Fairchild, Fairchild Chevrolet, Lakewood, OH

*Michael G. Lenzini, Lenzini Motor Co., Walsenburg, CO

*August J. Navelli, Navelli Cadillac-Oldsmobile-Pontiac-GMC, Rome, NY

*J. Kenneth Awbery, Ken Awbery Chevrolet-Oldsmobile Co., Branson, MO

Please send news items for "Executive Notes" to Joan Mooney, Automotive Executive, 8400 Westpark Dr., McLean, VA 22102.

1

Keeping Computer Confusion From Turning To Chaos

By Charles G. Miles

The majority of America's auto dealers some time this year will waste valuable time worrying about computers. They either will wonder if they need one, if they should buy one from a vendor or their manufacturer or whether the one they have is obsolete or overpriced.

After calling on more than 1,000 dealers and working closely with hundreds, I can honestly say that most who invest in computers don't really understand the benefits of their use until after they see the results.

Let's first establish what a computer can do for a dealership.

A dealership computer is a control device; no more, no less. It provides control just like a manager. To illustrate the point, think about what your store would be like without managers.

What would happen if you allowed your salespeople to make and approve their own deals, order cars, keep their own hours and approve their paychecks? Or if you let counter people order their own parts, sell them at their own prices and deal directly with technicians (who also schedule their own jobs, order shop equipment and approve warranty repairs)? What would happen?

What is a manager but a control device?

A computer is another such device, enabling you to control your business more closely and send more hard dollars to your bank account.

The computer as a control device in a dealership functions in two distinct areas, which must not be confused. First, it is a control device for internal applications: accounting, parts, payroll, service and F&I. The second use is as a control device for external communications with manufacturers. (This is the newer of the two uses; the others have been around for 20 years.)

Within the last five years, all manufacturers doing business in the United States have chosen to communicate with dealers directly by computer. Believe it or not, this has been good for all concerned. Dealers can now order cars and parts, report warranty claims and financial statements and do a host of other tasks more efficiently and cheaply than ever before.

Now that we have clarified the two areas of use for a computer in the dealership, let's examine whether these two functions do or should ever interact. For example, can the parts control system in your in-house computer create a suggested stock order from inventory in a form acceptable to your manufacturer? Yes, most do. But will it also send that order? Maybe. If your communications computer is the same one as the processing computer, it probably can. If they aren't the same, then it probably cannot, but might with the manufacturer's permission. The same would be true of financial reports, service department information, new-car sales and so on.

With the entry of almost every automaker into computer communications,

these practices can vary widely. But don't let anyone tell you that these two computers—one for manufacturer communication and another for internal operations—need to be the same. They *could* be the same, and it may be more convenient in some circumstances. But rarely is it less expensive.

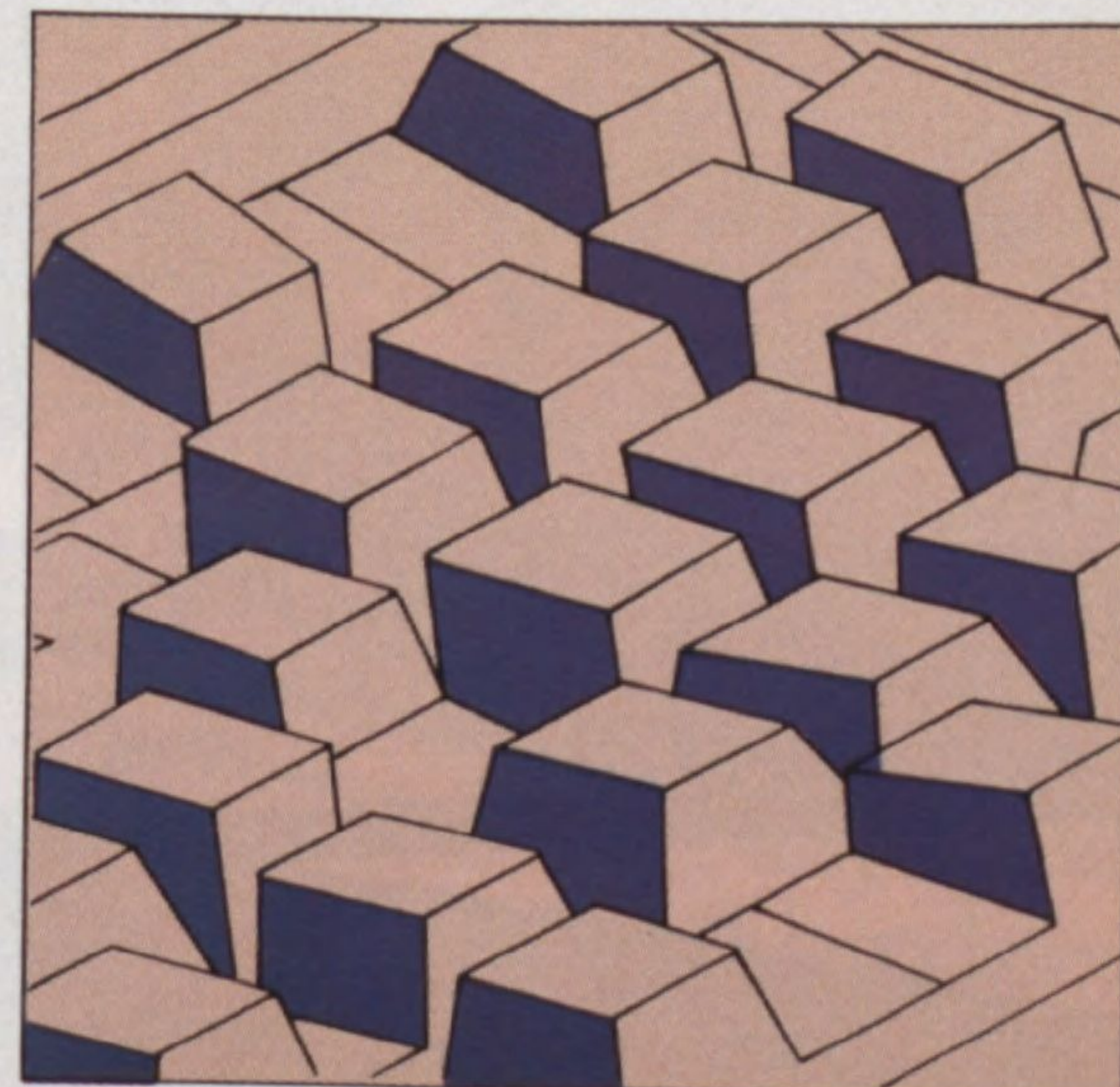
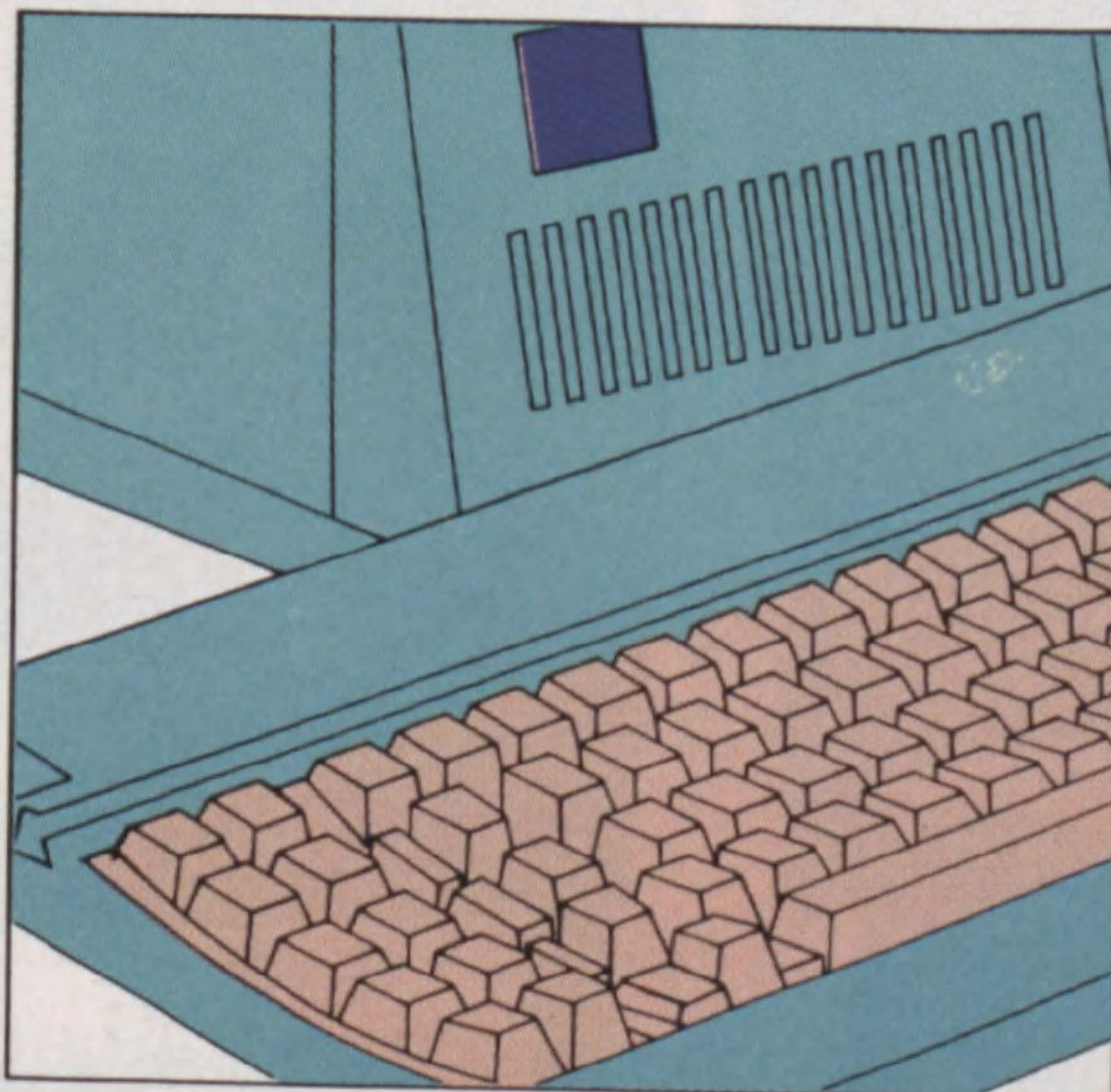
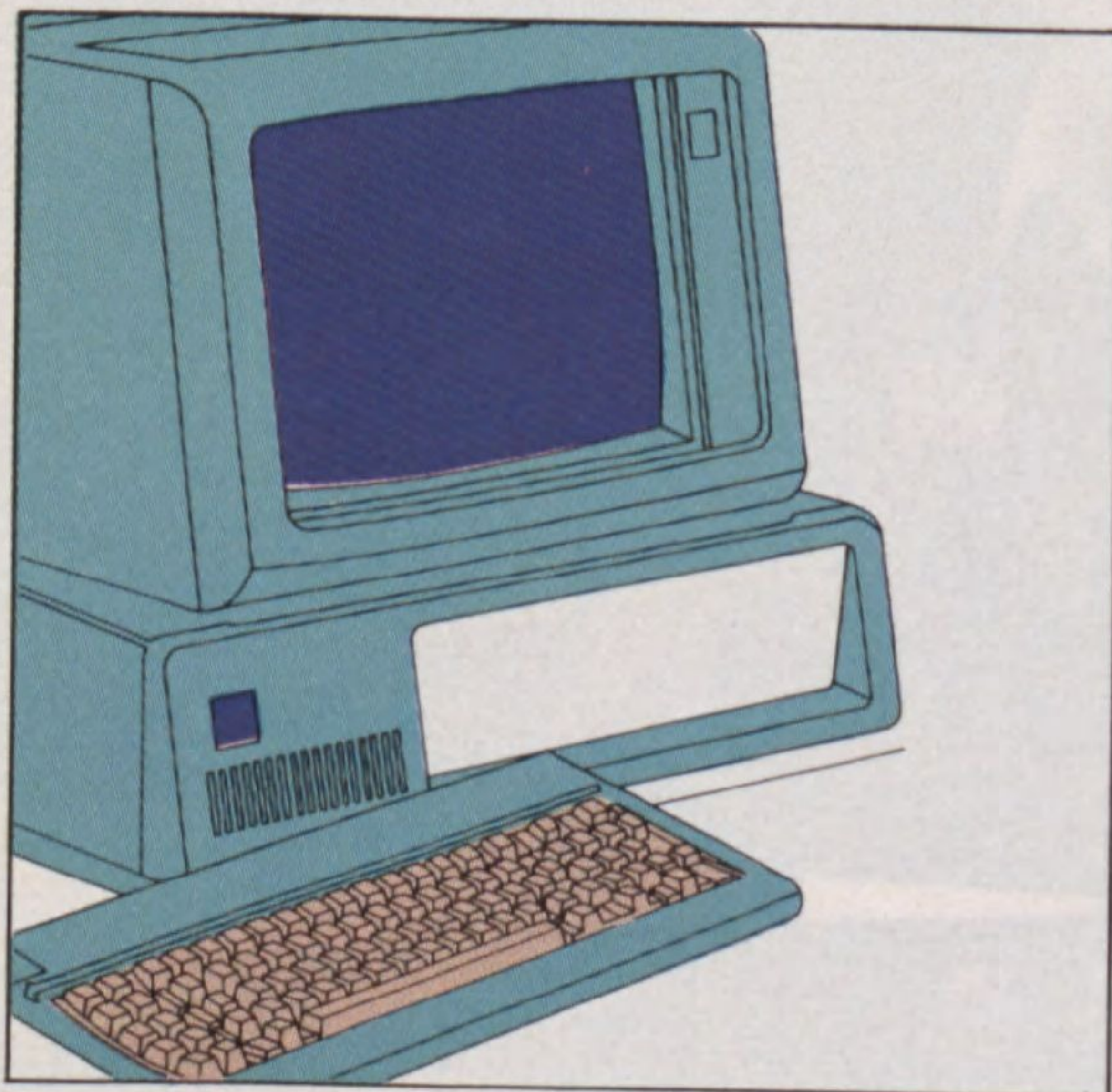
Remember, your manufacturer probably doesn't care how you create a financial statement, only that you transmit the required figures in their approved form. That may mean on an approved communications computer.

But, this communications computer could be from a vendor or a manufacturer. Any vendor who tells you he is *the* vendor is blowing smoke. Other vendors will follow in time; that firm may just be the first.

One more tip to head off future confusion. Some manufacturers may eventually enter the realm of internal computer systems—accounting, parts, payroll, etc. A couple are already established vendors in their own right. Just because they enter the market doesn't mean you need to use their systems. Many vendors have been handling dealership needs for 20 years or more, while it may be a new venture for your manufacturer. Use your own judgment.

Choosing the System

At this point, you may think, "OK, maybe I could use a computer; maybe it will improve management and lead to greater profits! Maybe I even need more than what the manufacturer requires, such as



an F&I system, which certainly looks like it would bring in more money. But how do I pick one? Who do I listen to? How much should I spend? How do I keep from getting 'had'?"

The best insurance for answering these questions correctly is common sense. The particular vendor you select or the discount you receive are not the most important factors. Knowing how the computer will fit into your operation, what your goals are and the level of service available are far more critical.

Here are some simple steps toward acquiring a successful computer installation at your dealership.

1. *Gather proposals.* Never even think about buying a computer without obtaining competitive proposals. Not rough bids or crayon-on-napkin guesses, but professionally typed proposals based on a thorough analysis of your needs by vendors' salespeople. (From here on "vendor" means internal computer programs. If your manufacturer sells this type of system, then it is considered a vendor.)

To speed the proposal process, ask your controller or department heads to prepare a "Request for Proposal" (RFP) and circulate it to reputable vendors. The RFP need be no more than a typed page in outline form requesting a proposal.

The more information you provide, the more quickly the vendor will send you a correct proposal. More often than not, a first proposal will not be exactly on target because the vendor didn't have enough facts. Make sure the vendor knows how many units you sell monthly and annu-

ally—not planning potential, but sales. Include a summary of growth over the last few years.

Vendors also need to know how many parts you stock (numbers of items and dollars) and the average number of counter tickets written per day or week. Provide the same type of information from your service department. Also estimate how many people will need access to computer work stations.

From this information, vendors can prepare accurate proposals. After they meet with you, see your facility and assure you they have what they need, it should take no more more two to three weeks to receive back a proposal. If it takes longer than this, the vendor is lazy and the service after the sale probably won't be any better!

2. *Compare the systems.* Once you collect the proposals, make a spreadsheet and note the facts about the different systems. Convert everything into apples and oranges. After all, you wouldn't try to competitively compare a Rolls Royce and a Chevette, would you? "Megabytes," "KB," "ports" and "back-up" are common terms to look for, and just like horsepower or cubic trunk space, usually the more for your dollar the better.

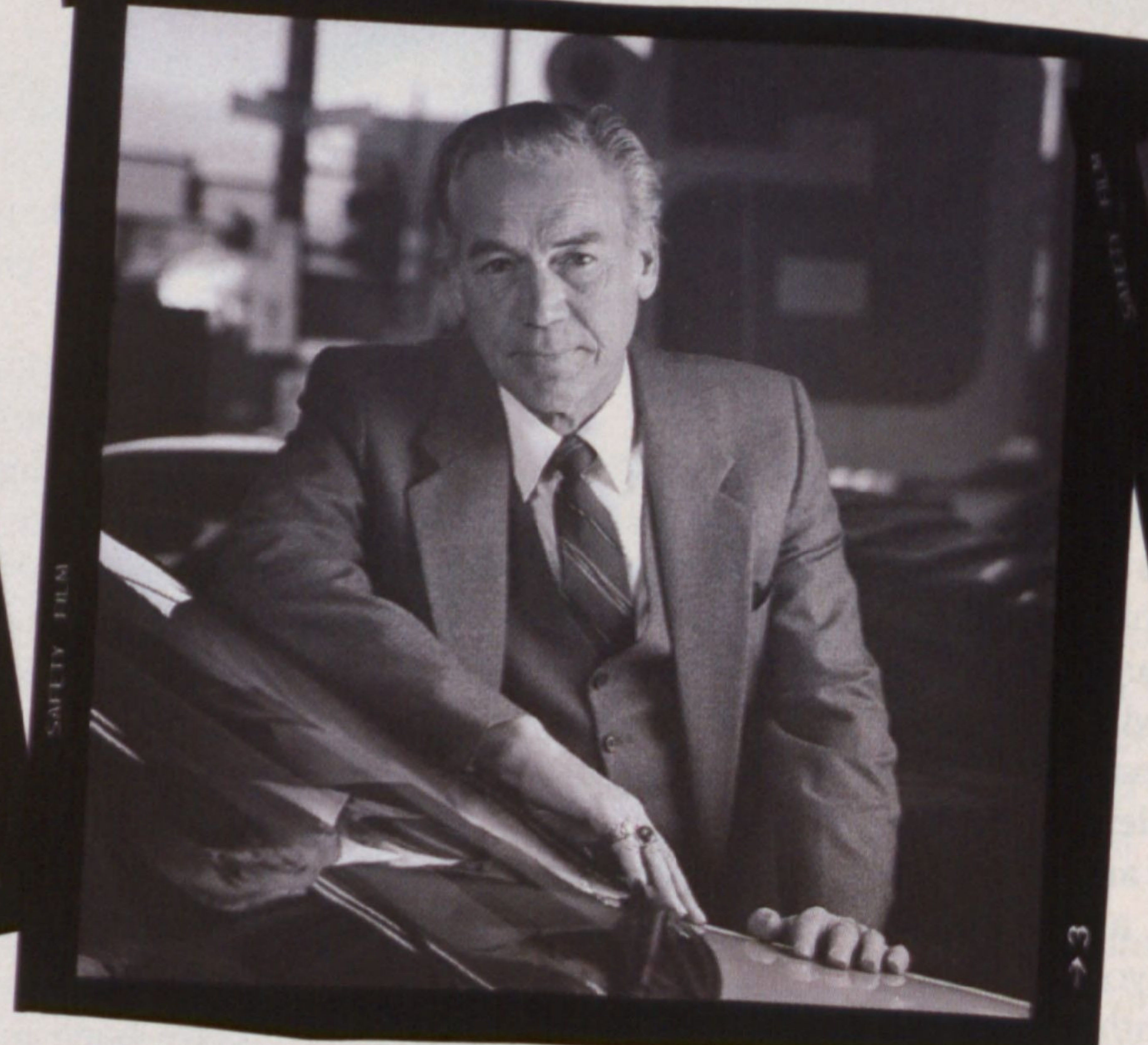
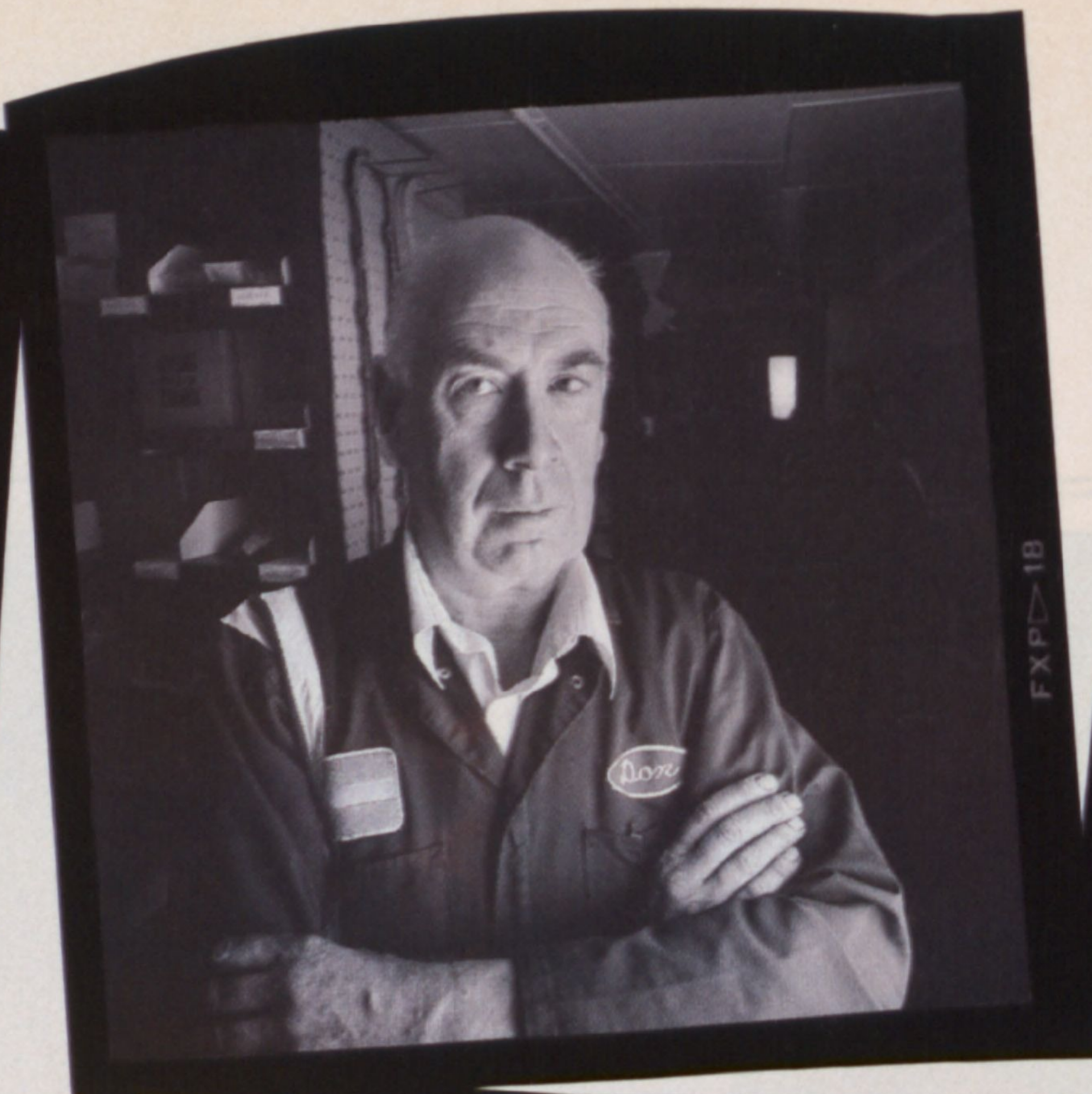
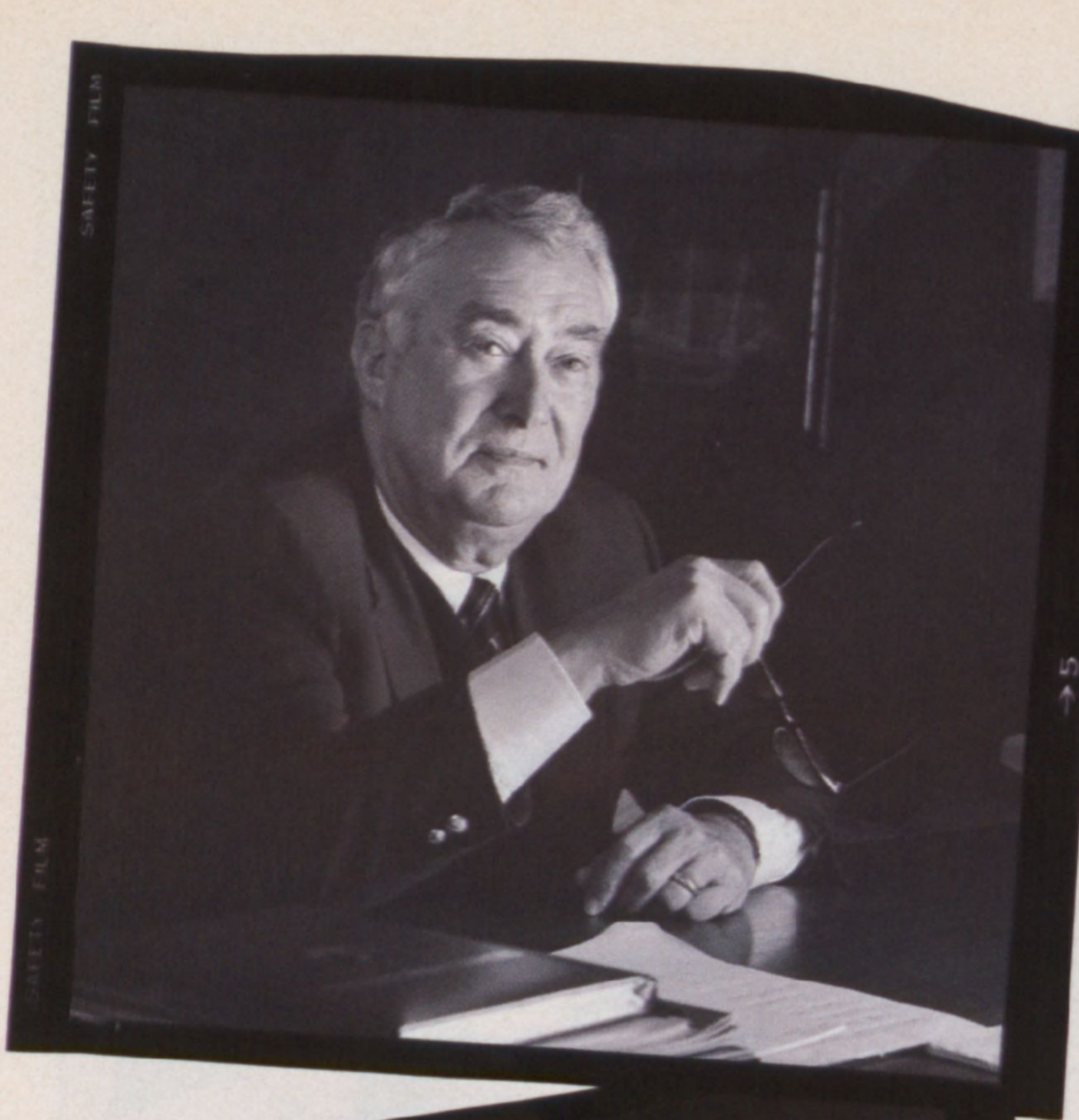
The best way to compare systems after you review them on paper is in person. This requires extra time and effort, but is certainly worthwhile considering the size and importance of your investment. Pick up the phone and call no less than five customers of each of the companies you are considering. Don't let the vendor

pick customers for you to call. Call at random from the vendor's *entire* list. Contact dealerships that are: 1) similar to your car lines; 2) similar in size; and 3) close geographically.

Ask specific questions like: "How long does it take to get a satisfactory response to service calls?" "How efficient was the installation and how long did it take?" "How much 'down time,' in hours and days, have you experienced?" "Can you see bottom line improvement?" "How has the computer helped operations?" "Have you had any horror stories with this or other computer brands?" "Would you buy the same computer again?"

The final step in comparing systems may be the most important. Visit a dealership that sells the same line of cars and employs the computer system you are interested in, with the same programs and number of work stations. Watch it work. Ask someone to post a new-car sale and observe how the system prints a report or document. Ask the operator how well it works, and whether he or she has any complaints.

3. *Avoid pitfalls.* Vendors tend to fall into pits when they introduce new systems or programs. The very best hardware, software and operating systems may work marvelously in tests but fall apart in their first dealership use. Even the very best, largest or most famous vendors all, at one time or another, have introduced systems or applications that did 90 percent of what they were supposed to, but when pressed for the final 10 percent, collapsed.



WE ANSWER VERY TOUGH

ADP Dealer Services, 920 E. Algonquin Road, Schaumburg, Illinois 60195; 1940 Eglinton Avenue, E. Scarborough, Ontario M1V 4Y2

Come see the ADP MA



They ask a lot of us. They ask a lot of themselves.

That's the way we like to do business. Frankly, we're proud to work with parts managers who'd just as soon turn terminals into mufflers. Or financial managers so unforgiving, you drop a dime, they'll drop your contract.

We're devoted to them. In fact, we built this company by pleasing people no one else would. Or could.

With applications like Onsite Plus Parts Inventory and Parts Invoicing that set the standard for the industry. With ADP F&I that helps salesmen sell financing, insurance and after-market items quickly and profitably.

In the service department, we're more welcome than ever. Because in addition to Service Merchandising and ROI, we have just introduced ADP On-site Plus Dispatching. The most sophisticated system on the

market, it makes sure the right car gets to the right technician at the right time. It also takes that increased productivity and translates it into profitability.

And to soothe the most savage business office, we not only offer Accounting, but also MIS, the Management Information System.

And with ADP, everybody's linked together. So when a transaction takes place, every appropriate file in every department is automatically updated. Within seconds.

All of which makes everybody involved more efficient. More profitable.

And therefore, a whole lot easier to get along with.

For more information, call toll free in the U.S. and Canada: (800) ADP-ADP-ADP.



Because the world has changed.™

R TO SOME CUSTOMERS.

800-ADP-ADP-ADP, Lylantse Baan, 2908 LG Capella a-d, Ijssel, Netherlands. © 1985 Automatic Data Processing, Inc.

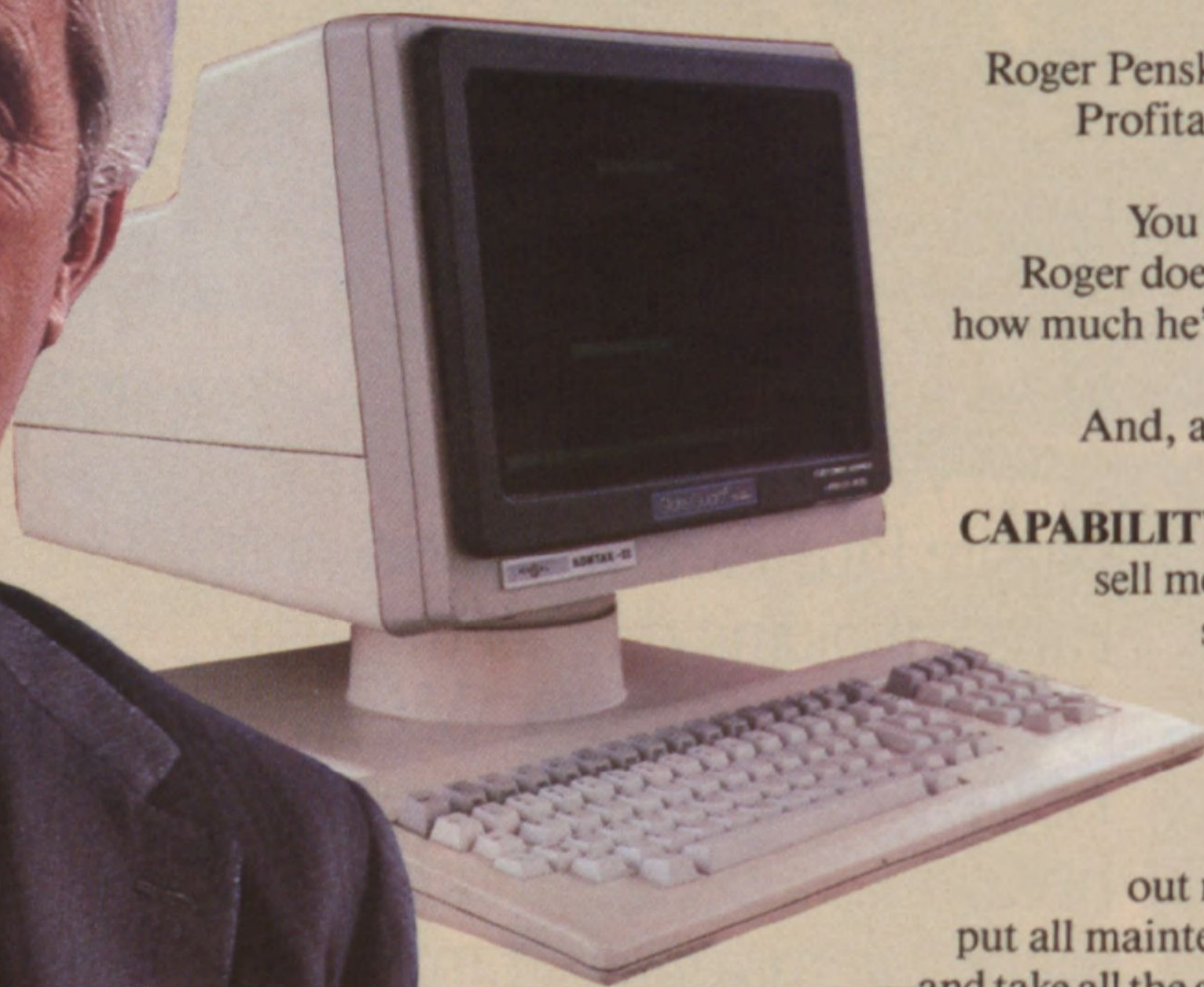
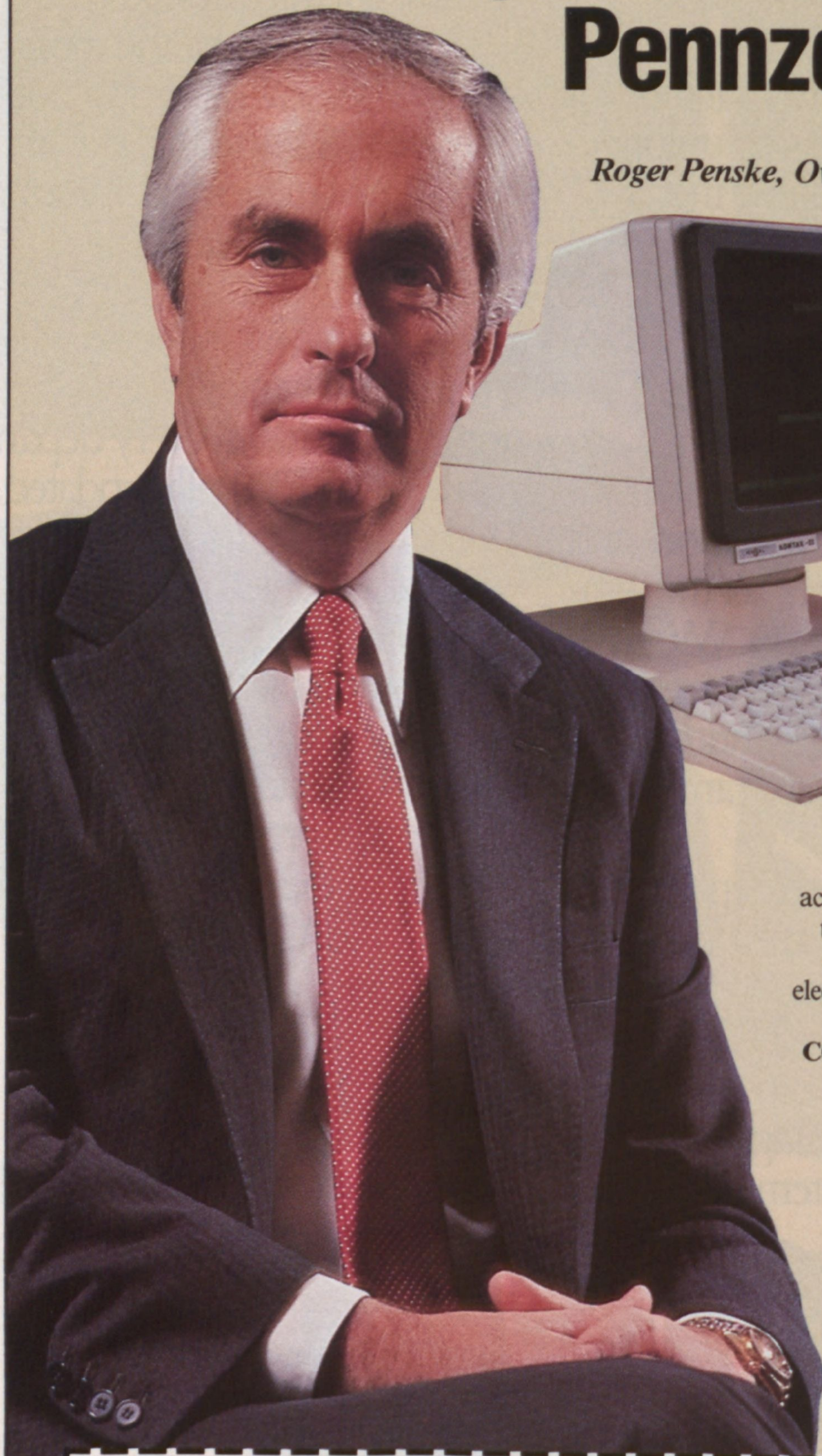
at NADA, booth #660

Circle #2 on Reader Service Card

Visit us at NADA Booth #1374. Register to win a set of Arnold Palmer Axiom Golf Clubs & bag. Get 6 months free use of KONTAX II when you sign-up at NADA.

"I drove my service profits up with Pennzoil's KONTAX II."

Roger Penske, Owner, Roger Penske Cadillac



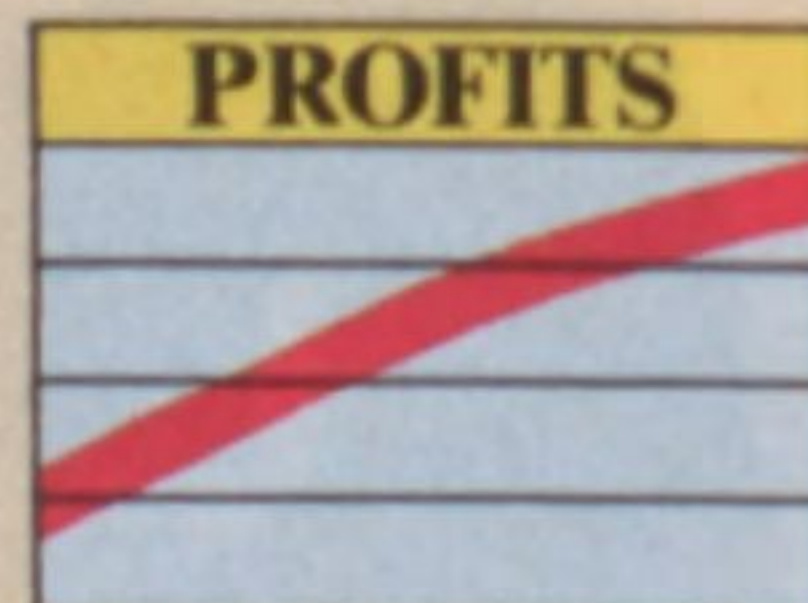
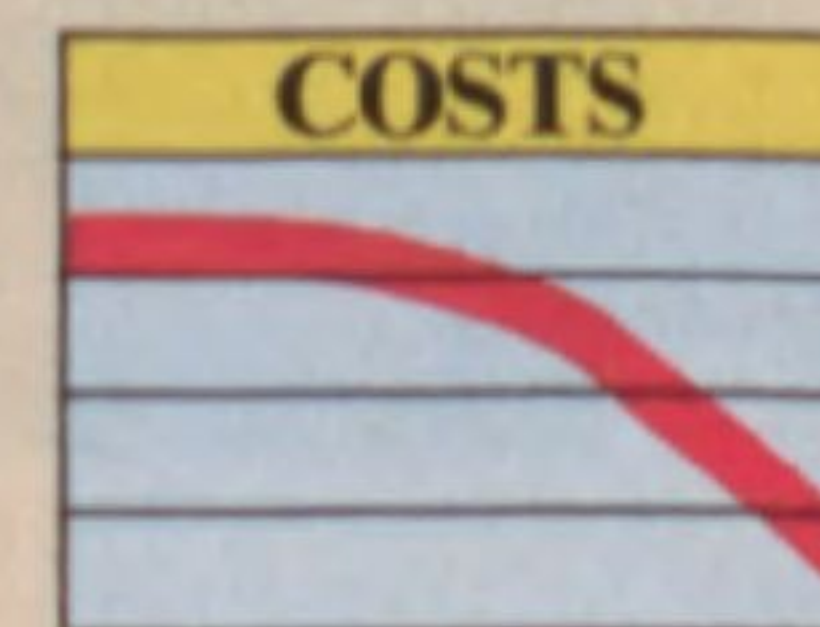
Roger Penske. Successful race car owner. Profitable multi-point dealer. Smart Kontax II user.

You see, when it comes to profits, Roger doesn't need software to tell him how much he's made. He uses Kontax II to help him make it. And, according to Roger, that's just what it does.

CAPABILITY: Kontax II tells him how to sell more service. Keep track of key service areas and department efficiency. Provide his management with clear sales analysis. Maintain up-to-date records. Schedule mail-out maintenance reminders. And put all maintenance-related information in—and take all the guesswork and down-time out.

BASIC SELLING SYSTEM: Kontax II is successful because it stands on its own. Most systems will offer accounting programs. And little else. But Kontax II's mandatory sales/service menu offers Roger exactly what he wants, whether it's service department sales, management reports, electronic filing, or flexible mailing programs. When he needs it, he knows Kontax II will supply it.

COST: For Roger, there's no big money spent. The Kontax II is a complete system that will grow with his dealerships—without any equipment investment, or operator training expense. Quality Pennzoil maintenance is also covered in one simple rental agreement.



And this system stays one-step-ahead, with the newest, most advanced programs. Kontax II. Capable. Competitive. Cost-efficient. Driving costs down. And profits up. To find out all about Kontax II, call Tom Sayer, Director, Car Dealer Programs (619) 279-5559.

*I like the idea of driving up my profits.
Please send more information.*

KONTAX-II

NAME: _____
DEALERSHIP: _____
TITLE: _____
STREET ADDRESS: _____
CITY: _____ STATE: _____ ZIP: _____
PHONE: () _____

MAIL TO: KONTAX II, 5155 Mercury Point, San Diego, CA 92111
Attn: Tom Sayer, Dir. Car Dealer Program

PENNZOIL

KONTAX-II

**"Too many dealers
waste hundreds of
thousands of dollars
on unnecessary
'custom' systems."**

Bolt upright if you are ever referred to as a "pilot," "spearhead" or "test site." That simply means you are a guinea pig. Some guinea pigs live; some die.

Under no circumstances should you ever agree to be the first installation of any new system or program from any vendor, no matter how impressive their credentials, or how good the price (even free can often be costly!)

Likewise, avoid buying a system discontinued in the last generation of computer technology. Some vendors just repackage their old gear and reintroduce it.

In summary, too old or too new may not be advisable.

4. *The contract.* Read the contract carefully and read between the lines. Even if the vendor is the biggest, best or most profitable, get all promises in writing. It also never hurts to ask salesmen to bring in their manager or a member of the technical support staff. Some salespeople will be dumbfounded by this request, but that shouldn't stop you from making it.

Ideally, a support manager is assigned to each salesperson, but many companies don't do this. In fact, far too few salespeople can name the person who will install and service your system.

In any case, if you can meet with a software representative, read him the contract and let him respond about how the systems on the contract will be installed and how they work. Have no fear if his answers don't match those of the salesperson—their viewpoints are often opposite. Just make sure you're satisfied that the systems will work as intended.

Also look for the little details *not* on the contract. Does the contract specify that hardware is current model? Is cable included? How much? How much does extra cable cost? What about installation, training and repeat training? How many days (in dealership and classroom) are included? Will the vendor allow you to pay as you go for what is installed? Can you get your money back if the system doesn't do all it's supposed to within the promised time?

Also make sure that the contract states that the system is complete—that it will

do everything the salesperson described without any last-minute add-ons. It is standard practice among vendors to assign someone to check contracts to make sure everything technically required is included—such as parts, couplers, cables, modems, switches and signal boosters—but usually contracts are approved as soon as the customer clears credit. Then, when the engineers later discover something else is needed, the poor salesperson has to face the dealer and explain what looks like a "bump."

That's not to say that some vendors won't come back for a bump anyway, some soon after installation. But try to protect yourself as much as possible by doing your homework before the deal is closed.

5. *Price and negotiation.* In my experience, most dealers pay too *little* rather than too much for their computer systems. That's right—too little. Although some discounting may be available by a few percentage points, the idea of buying a computer at half-price is just foolish. The extra dollars you think you save by excessive price negotiation might as well be sent right to your attorney.

Computer companies have very real costs on hardware and software, just as dealers pay certain prices for their cars. Vendors can no more sell a \$100,000 computer for \$50,000 than you can sell a new Cadillac for the price of a Chevette. Yet I've seen more contracts turn into six-figure lawsuits over a few hundred well-haggled dollars than I care to remember. All because a dealer had to convince himself he was getting the best deal.

Once you have everything you need on the contract, pay a fair price for the system. Otherwise, even if you get the system you need and it works fine, the salesperson may resent you. He will impart this to his reps and service will deteriorate.

You think that salesperson won't re-

member you? Just wait until the day he is the only one that can help with a mysterious computer problem. Believe me, he will laugh last. Do your homework, and pay a fair price. Salespeople know you can negotiate. Fine, but don't push your luck. Don't cheat yourself.

6. *Brokers, consultants, outside advice?* To be effective in automotive data processing, a consultant should have had direct experience in the automobile market learning the confusing details of this trade. Some very expensive computers with the best of credentials have failed in dealerships because the dealer called in an outsider.

A local accounting professor with computer experience or an "independent" consultant on his own after 20 years with IBM usually doesn't understand key industry terms like holdback, variable expenses and finance reserve. How then can they make an informed recommendation about how a computer system can best serve your needs?

In addition, most "independent" consultants have broker or OEM contracts with a certain manufacturer. When he sells a system to an auto dealer, he must go out and find appropriate software applications. He may even recommend custom programming, beyond the practical reach of any dealership. Such systems can't help but fall short of what the vendors offer in a single-source turnkey package. After all, if it's so easy to develop automotive software, why don't local retail shops sell automotive packages for a few hundred bucks, as they do word processing or spread sheets?

Too many dealers waste hundreds of thousands of dollars on "custom" systems. Even when selecting a personal computer for finance and insurance, vehicle inventory or manufacturer communications, it is simpler, faster and more cost-effective to let experienced people in the auto industry handle the job. Maybe you save a few dollars if you spec your own PC, but you also might leave something off you need.

Do yourself a favor and deal only with vendors and independents who have automotive experience.

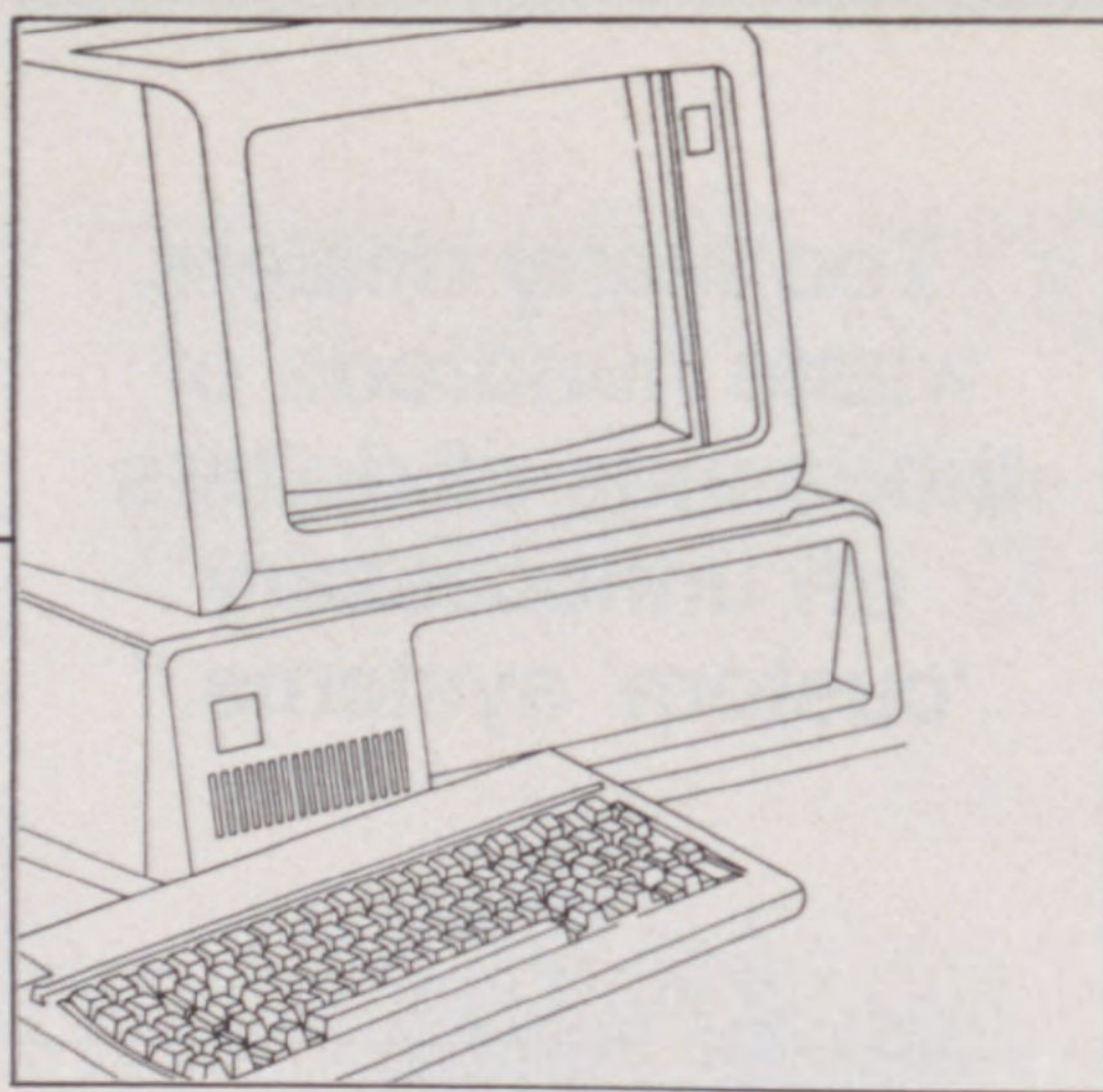
Some Additional Thoughts

A. Training and retraining. All vendors offer comprehensive training, usually in their regional centers. In-dealership training should be avoided when possible due to in-dealership distractions. It's the vendors' responsibility to see that your employees are offered the proper training, either at their expense or yours. It is *not* the vendors' job, however, to see that your employees understand principles of accounting, how to keep payroll files or place timely parts orders. That is the dealership's responsibility, one that sometimes falls short and costs millions every year. Such losses are often erroneously blamed on the computer people. On the contrary, proper use of the computer by qualified employees only reduces errors and tightens controls, leading to improved net profits. See to it that as many employees are properly trained as is necessary, both in their job and on the computer. Training should be viewed as an ongoing dealership task.

Appoint one person to be responsible for in-dealership training, someone who seeks out and looks for new ways to improve dealership operations. This person should work with the vendor and other staff members to see if there is a way to create a new report or access information that offers better management solutions or a different look at performance. After all, with so much information about the dealership in the computer, you ought to be able to sort and report it in almost any fashion you can dream up.

Probably 90 percent of dealership computers perform at only 50 to 60 percent of ability (not capacity; they may be jammed full of information, but be greatly underused in terms of management potential.) Push your vendor for help. Reach to higher levels, and not only will you get your money's worth, but your investment will return many times over.

B. Expansion vs. "bumps." When is an expansion or add-on a bump? This is a difficult question to answer since there are so many variables. The biggest and best systems may be subject to growth needs, sometimes very quickly. Obviously, if you double vehicle sales, parts



or service volume, you could need expansion no one anticipated when the system was ordered. Likewise, if you add additional work stations or new program applications, you must add to the computer.

Certainly, with proper analysis on the part of the vendor and the dealer, no system should become totally "outgrown" over the course of a few years. If a vendor tells you this, you may be looking at a bump, resulting from an earlier mistake in judging your needs. This is why a disk analysis is so important in the proposal stage. A disk analysis tells how much computer power you need related to the capacity of the system you are buying.

Today, some systems allow the operator to check the amount of disk utilization at any moment. Find out if your system allows this and how to do it. It is a massive and expensive proposition to trade in a disk drive for a larger one, and equally as inconvenient to add an additional drive, which could slow down program access time considerably. Proper planning from the beginning can never be overemphasized.

C. Facing the music. "Oh, woe is me!" you say. You bought a computer some time back that was not big enough or failed to fulfill its promise. The salesperson is retired and living in Bora Bora, the toll-free service number is always busy and you haven't seen a warm body from the company in years. At what point do you tie chains to the computer and hang it over the side of the boat? Not yet.

Don't be embarrassed to seek help. Take positive action. Don't just complain to your 20 Group. Don't kick the computer and cuss the operator. Send letters—firm letters—that outline expected results in specific time periods. Tell the vendor what you need done.

The second go-around should include copies to your attorney. If that doesn't work, ask your attorney to send your

supplier a stern letter. If the company doesn't respond to this letter within a specific time, then take legal action. By this time you need action, not words.

D. Obsolescence. "When is a computer obsolete?" Very simply, only when it fails or ceases to do the jobs it was purchased to do. Certainly, computer technology and innovations move very quickly, but hardware is phased out only by the original manufacturer, and then it may take 10 years. If a computer was bought seven years ago to do accounting, parts and payroll, and it still does them well, then it is not obsolete! However, if there is a newer model that works better and faster with lower maintenance costs, consider buying it. You will be surprised how much you learned about your first computer and even more surprised at the improved quality of the new ones.

After all, how much more attractive are new economy cars compared with 10-year-old models with 150,000 miles on them? Attractive enough to buy.

E. Manufacturers and the future. Automakers can't and won't make obsolete the computer you use for your internal processing. But yes, they can and will specify a newer, more efficient model for communications needs if they change their system. That ultimately benefits all operations, dealers included.

Keep an open mind and look for direct benefits when the time comes for a change. Some of the changes around the corner are pretty exciting, and will result in greater customer satisfaction, in vehicle sales, ordering and service.

Any day now, dealerships will find available new systems that will be lower-priced, higher powered, more flexible and easily compatible with the newer manufacturer systems. These systems are referred to as "data based" and use new micro computers or personal computers found in local computer stores.

Do your homework, and you will be as ready for them as they are for your dealership. ■

Charles Miles is an independent automotive dealership consultant and computer advisor based in Birmingham, AL.

Chevy Offers Sales Diskette

ChevyTech, Chevrolet's computer-diskette, customer brochure, became available nationwide in December. Chevrolet customers can now use the ChevyTech diskette and their home computers to build the exact car they want to buy from their Chevrolet dealer.

"We're on the leading edge in this, without a doubt," says Chevrolet spokesman Ed Lechtzin. "No one has ever used computer diskettes for direct marketing."

The ChevyTech computer diskette contains a complete list of Chevrolet cars, trucks and options. Customers with Apple II, IBM PC or Commodore 64 computers can design their car without ever leaving their homes.

The diskette displays Chevrolet models, standard equipment and available options and offers a running total of the manufacturer's suggested retail price for each configuration. Once the customers decide on the exact car they want, they can then punch in their projected trade-in price, down payment, duration of financing and prevailing interest rate, and the computer will determine their monthly payments.

Armed with the diskette, the customers then go to their dealership.

"It will cut out a lot of the preliminary hassles," Lechtzin says. "Salespeople can focus on what the customers want and what's available."

Chevrolet test marketed ChevyTech in California early last year. The company sent 500 diskettes to Apple II owners and mailed out an additional 1,800 to respondents to its newspaper ads. This early success convinced Chevrolet to move ahead with the program for its 1986 models. The diskette now available for \$3 lists all 1986 vehicles, options and prices. As an added bonus, Chevrolet has included a trivia question game on the diskette.

"Right now it's only a marketing tool," Lechtzin says. The future of the program depends on its reception by both custom-

ers and dealers. Lechtzin says the initial response from dealers has been positive.

"In the end, the salesman and the dealer are still going to be intimately in-

volved in the sale. ChevyTech won't turn a dealership into a catalogue operation."

—Gerry Donohue

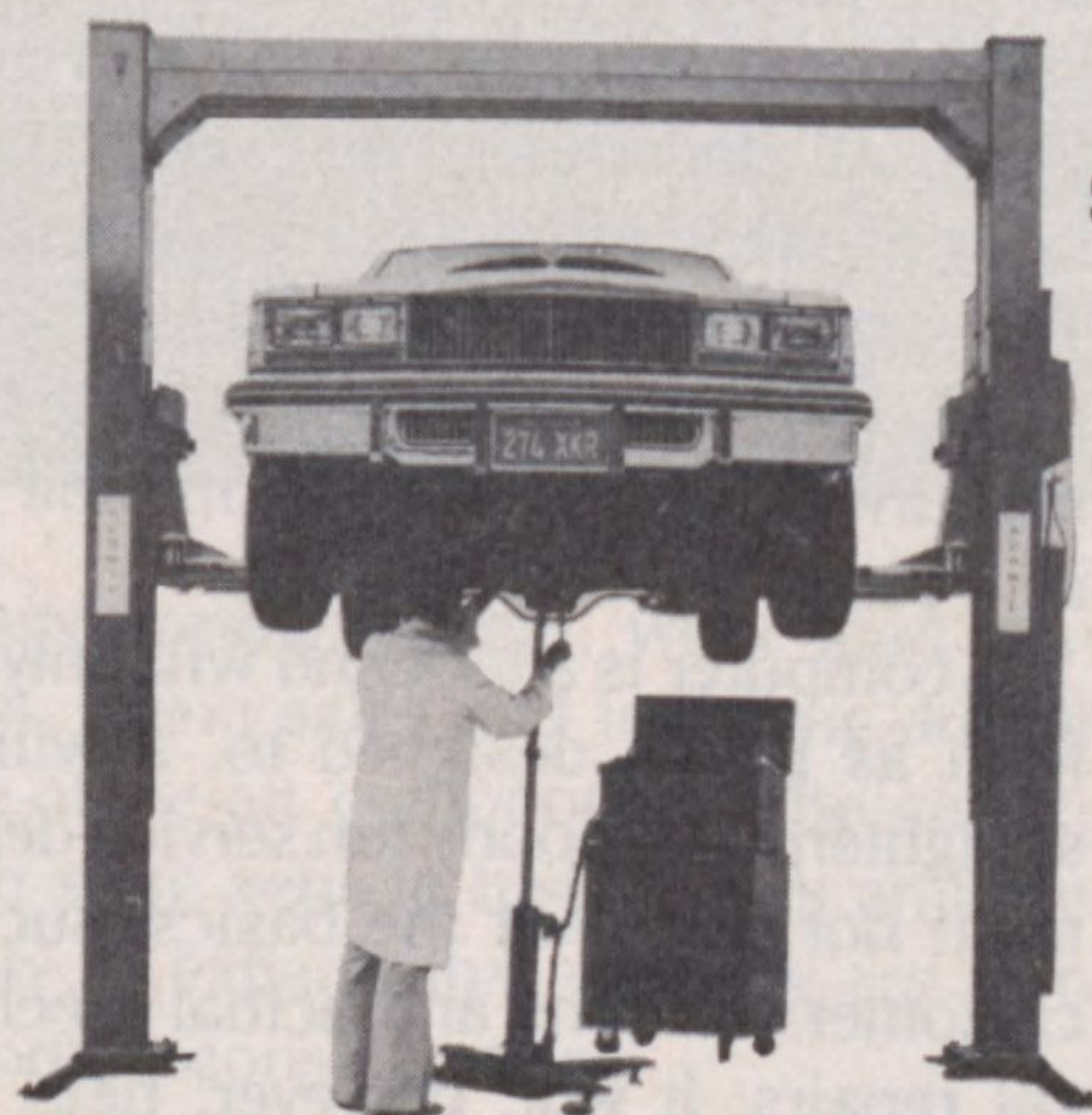
Benwil For the shop that demands the best.

In-Ground

Benwil offers one- and two-post models, each rated 8,000 lbs. Exclusive hard-chrome piston extends life up to 1,000%.



See us at NADA,
Booth 1024



TPO

5,500 and 7,000 lb. models with unique overhead support beam for unobstructed floor area. Only Benwil two-post above-ground lifts are free-standing and secure; not dependent upon floor surface for integrity.



SP-45

Single post model lifts 4,500 lbs., is ideal for front-wheel-drive vehicle service.



FP Series

Benwil offers three four-post models, rated 7,000, 9,000 and 12,000 lbs. capacity. Two smaller models have integral scissors lift for wheels-free service.

Benwil®

Industries, Inc.

1140 E. Sandhill Ave. • Carson, CA 90746

Toll-Free: 800-421-2943 • In Calif: 213-604-0779

All Benwil products are available from GM Dealer Equipment.

Circle #8 on Reader Service Card



The View From The Service Department

By Ron Joffe

Every day more dealerships are purchasing stand-alone computer systems for their service departments or are adding service to existing systems. Some computer companies are seeing astronomical growth rates of business, in a few cases topping 40 percent a year.

The reasons for this widespread acceptance of computerization in service are numerous. Service departments are getting busier because of decreasing outside competition and increasing sales volumes. Dealers are putting greater emphasis on customer satisfaction and profit centering into the service department. The factories are making service department computerization mandatory for the use of dealer communications systems. The major manufacturers are expanding their use of automation almost monthly, and the rate of use will increase dramatically over the next five years.

The benefits are so great that no one can afford a "wait and see" attitude. Hundreds of options are available, and any size dealership should be able to outfit itself with the optimum equipment.

The service department may have a different view about optimum equipment from the accounting department. Too often I speak to service managers whose dealerships purchased a system that is not completely compatible with the service department's needs. When you

spend a lot of money for a system, you should spend a lot of time investigating your needs and what's available to satisfy them. All department managers should be consulted before a purchase is made. The service managers I spoke to are all highly computer-oriented and are looking forward to the changes in their jobs as a result of automation.

A computer is a tool and will only perform as it was designed to. It will not straighten out a poorly run service department nor take over the basics, such as customer relations and actual mechanical repairs. It will, however, help your service department better realize its full potential. It also will give you an important self-diagnosing tool in the form of analysis reports, so you can accurately spot deficiencies and attend to them in a timely and correct manner.

The service department greatly depends on the proper control of parts inventory and invoicing, and on proper posting and accounting by the office. These two related departments should be in order before a service system is installed. A service manager in Texas told me that his dealer purchased an excellent dispatch system that lived up to its salesman's promises. The shop suddenly ran way ahead of the uncomputerized parts department and therefore, eventually slowed down the dispatcher. This defeated the purpose of the excellent scheduling and dispatching system. Since the service department is the most

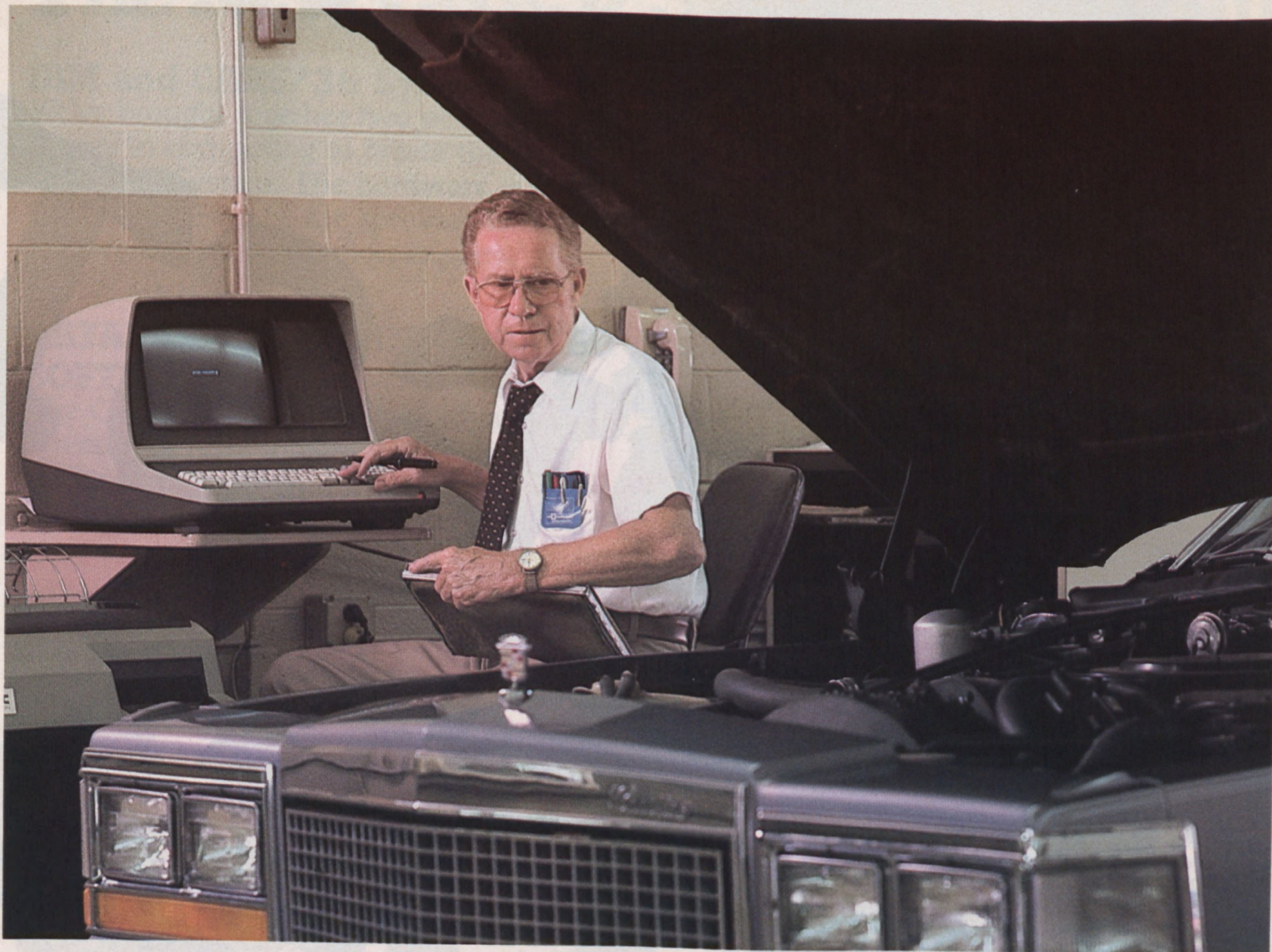
dependent on others, it should, in this case, be the last to be upgraded.

The service department is the hardest department to operate profitably. Often, service managers don't ask for and dealers don't consider automation because of the theory that a department in the red cannot afford to pay for an expensive piece of equipment. Correct cost analysis should take into account any income the computer will generate and any expense it will save.

Systems are available that are programmed with service menus, suggested services, automatic alerts to recall campaigns and special order parts that are sitting on your shelves. Computers are unemotional and will dispatch work in its optimum order.

Some dealers boast of increased productivity levels of 30 percent after installing a computerized dispatch system. Even though we always hear about "down time," it is becoming more of a rarity.

Increased reliability has minimized breakdowns, and when compared with absentee wages your service department pays out, it quickly becomes evident that a computer is cost-effective. A reduction in the number of employees and/or in their qualifications (and consequently payroll) without sacrifice to performance is often accomplished by automation. For example, if you pay a dispatcher \$30,000 a year plus benefits, you may be able to hire a less skilled person for \$20,000 to operate the computer dispatch system.



An excellent stand-alone dispatch system may cost \$24,000 and so quickly pay for itself.

Another area of great expense savings is in reduction of warranty rejections. The greatest number of rejections is caused by vehicle identification numbers, shop comebacks and out-of-date warranties. These areas are directly addressed by any system that stores histories and prints repair orders. If you operate a large service department, your cost on delayed payments and outright claim denials is substantial over the year. A dealer in Florida told me his warranty rejects are down to 0.9 percent since he installed a system.

Many options are available to a prospective customer: complete systems that will incorporate all departments, stand-alone systems just for service or custom-designed systems to meet specific needs. The bottom line on cost to the service department is about the same for all three choices.

The next consideration is features. Features such as repair order printing, automatic notification when a recall is open on a car in the shop, direct mail labels

by any sorting system, work load dispatch, menu sales and invoicing are all state-of-the-art components. The capacity to store vehicle history files and the ability to expand that capacity are also important considerations.

Experiences In The Field

Lenny Schwartz, service director of General Toyota in Avenel, NJ operates a very large service department and uses an ADP system. It gives his writers complete histories and pertinent data and has helped increase sales. His warranty system is part of an IBM setup mandated by Toyota, and his reject rate is minimal. He uses the ADP system for mailing labels for service specials. The two systems may well be able to interface in the future.

Schwartz appears satisfied with the ADP. "The only additional thing I could use would be a fresh cup of coffee in the morning," he quips. "The system has lived up to our expectations and the promises made to us."

Although the dealership has a software program that contains service appointments, it is not being used yet, mostly

for reasons beyond Schwartz's control. The system is capable but is not being used to bring about greater coordination between sales and service.

Joe Berry, director of field sales and service for the Cars Dyatron computer company of Birmingham, AL, says, "A totally integrated system helps the sales department sell cars through the service department files. Salespeople can prospect through the service files by age of vehicles, mileage, end of lease dates, etc."

"The sharing of a central data file system is both cost-effective and efficient. Our company will be announcing during the NADA convention a system that is completely integrated and uses state-of-the-art hardware. We use IBM, Data General or Texas Instruments hardware because we are service-oriented and these companies reflect the same goals that we have. They provide the best hardware support we have found."

Russ Crespolini, service director of Watchung Ford in Watchung, NJ, is highly experienced with service department automation. His dealership is about to switch to a totally integrated system

BEST
OF SHOW

**BEST
OF
SHOW**

The New CARS/36 System Family.

IBM and CARS/36 System

We've brought together two of the best names in computing to create the CARS/36 System. The hardware is IBM's System/36 Family, the software is from the dealership automation experts: CARS/DYATRON.

DATABASE, FULLY INTEGRATED SOFTWARE

The CARS/36 System offers advanced, interactive, fully integrated software designed specifically for the dealership environment. Your single entry updates all related files.

Entering a part sale?

The system updates your General Ledger as well as your parts inventory files.

The CARS/36 System eliminates excess paperwork and duplication of effort. First place for efficiency.

MULTI-FRANCHISE, MULTI-DEALERSHIP, MULTI-CITY CAPABILITY

In today's multi-franchise, multi-city environment, you need a computer system that manages information from several locations. The CARS/36 is both a management tool and a communications tool, available in a range of sizes and configurations. The most powerful processing unit supports up to 36 local terminals and printers, and up to 64 remote terminals. The smallest processing unit is small enough to fit on a desk. And in between, there's the midsized CARS/36 System, featuring a processor that's the size of a two-drawer file cabinet. From the smallest to the largest, any dealership can now be "Size 36." First place for power and versatility.

USE THE IBM PC FOR COMMUNICATIONS

Connect an IBM PC as one of your system terminals and you'll have the automobile industry's most widely accepted factory communications system. You'll also have access to the entire library of office automation software designed for the PC; word processing, financial spreadsheets, graphics, and over 1500 other software packages. First place for ease of operation.

INCOMPARABLE SYSTEM SUPPORT

With IBM Supporting the hardware and CARS/DYATRON supporting the software, you're in expert hands when it comes to operational continuity. You can reach our service representatives anytime you need us, but we'll minimize problems before you get started by providing comprehensive training at the outset. Online documentation and HELP screens will answer most operator questions. First place for reliability.

ALL THE SYSTEM YOU NEED, WHERE YOU NEED IT, WHEN YOU NEED IT

Let the CARS/36 System tie your business office, parts department, service department, and showroom together into a manageable unit where you can be in total control. In today's competitive business environment, you can't settle for a system that's less than the best. Count on CARS for software designed with the automotive dealer in mind. Visit Us At NADA And See The New CARS/36 System. Best Of Show.

CARS
DYATRON
P.O. Box 235, Birmingham AL 35201
1-800-633-3625

The Best Choice For A Long Time.

You don't
sell a million
service contracts
in one year
without having
a lot to sell.



Quality sells. Quality pays.

Circle #14 on Reader Service Card

"A computer is only a tool. It will not straighten out a poorly run service department nor take over the basics."

mandated by the manufacturer, and he is excited about the coming changes.

"It will improve the accuracy of our repair orders and will help sell service through recommended menus. I am concerned about a complete system, because if it goes down, it means the whole dealership is affected.

"Having been exposed to stand-alone and all-encompassing systems, I believe that the total system is preferable. In a stand-alone system you may get more specialization in a given area, but you lose the interdepartmental accessibility."

Crespolini expresses concern over a feature of his new system. Ford's system, centered on Texas Instruments hardware, will generate two repair orders for every car, one at the time of write-up and another at invoicing. The concern is about paperwork, which will double.

Computer companies say that many companies have software designed to generate two repair invoices for each car, but that the system is so foolproof that you can't close out the repair unless all the related paperwork is in order. All the service managers I spoke to say the human factor of delays or misplacement of the second copy create delays and havoc for the everyday routine. Crespolini says, "I would like to see systems sold to dealerships based on the present and projected needs rather than the price being the biggest factor."

Dyatron's Berry spoke highly of a computer's ability as a service selling tool. "People have more of a tendency to believe a computer than a person when it comes to recommended service. Our system is more accurate than a service writer and will allow you to increase customer satisfaction through more complete sales of service. If a writer can sell the recommended service and eliminate the need for the customer to return in the near future, the customer will usually be more receptive to the sale and grateful for saving him another trip."

Paul Gordon, account manager for Tricom Systems of Hayward, CA, says, "As a service-specialized system we offer more exacting capabilities, both in day-to-day operations and in the very neces-

sary support needed in the field. Our team of specialists is specifically trained in service department needs and in the integration of our system into those needs.

"Tricom evaluates a service department's needs with many factors in mind. Dealers should not force themselves into a full system when their needs are in just one department. Even though both General Motors and Ford have chosen Tricom as a recommended service system, they have not mandated it."

Gordon warns dealers not to fall into the integration trap just because they already have part of a system. "Our relative cost return factor is excellent due to our effectiveness in the everyday operation of the service department," he says.

He agrees with Joe Berry that the customer is king and the impression created by the service department is greatly enhanced by a thorough and impressive automation system.

Communications Concerns

A serious area that everyone is aware of but no one has completely addressed yet is the multiple franchise dealers' needs for dealer communications systems. If you operate a dual-franchise service department with two different manufacturers, you then must have two separate systems for parts ordering, warranty claims submissions and factory communications. A service manager in California told me of the nightmare he has operating a service department handling five separate car lines that have no computer interface at all. His computer operator works in a "star wars room" and his computer-related expense is astronomical.

But there is hope for this type of service department. Over the past couple of years some of the major companies have begun to focus much of their software around one or two major hardware systems, led by IBM. At the same time, producers of software are beginning to standardize and are all vying for endorsement by the manufacturers.

The areas of greatest concern for service managers are: (1) Is my dealer buying a system compatible with my depart-

ment's needs, and (2) Is the system about to be mandated by my manufacturer going to fulfill my needs? Every service manager I spoke to is worried about the expense of training employees and whether the systems are "user-friendly."

Very few service managers have formal contingency plans in case of system failure. Are your repair orders still usable if your printer breaks and you are forced into a manual write-up? Does your dispatcher have the ability to continue during an equipment breakdown? Is anyone in your dealership capable of minor troubleshooting in the system in case of problems? These are all areas that should be of great concern to both service managers and dealers. Paul Gordon of Tricom mentioned the term "open architecture," which means flexibility to modify and expand. Factory warranty coverage is increasing and so are the lifespans of service contracts. This means we will need room to expand our systems in the near future to accommodate the increase in retained customers.

All the computer companies speak of the ease of training and employee acceptance of their systems. This is another area of great concern. Even though the dealer and service manager are committed to automation, it's the everyday user who must accept the new system. Service writers, clerks and dispatchers must be convinced that the tool will not only make their job easier, but possibly help them make more money and not cause concern over job security.

The best advice in purchasing a system is to shop carefully. Do not buy a system just because another dealer has one. Before making a final decision on a particular system, speak to a dealer and his managers who have that system in place. Be sure to ask all the necessary questions to be 100-percent convinced this is the correct choice. To get started in the right direction, check out the expanded computer company exposition at the upcoming NADA convention in New Orleans. ■

Ron Joffe is a dealership service director in Trenton, NJ.

Regulatory Report

Dealer Safety Standards

You have just received a new 1986 model year passenger car from the factory. The car is inspected for damage and prepped for display. To make it more marketable, you install a trunk luggage rack and a trailer hitch. By doing so, you may have "altered" the vehicle for purposes of the National Traffic and Motor Vehicle Safety Act.

This act gives the secretary of transportation the authority to establish safety standards for motor vehicles. The National Highway Traffic Safety Administration, as part of the Department of Transportation, has established some 50 safety standards governing everything from windshield wipers to door locks. DOT

also has issued standards for car bumpers. Under the NHTSA regulations, manufacturers must affix a label to each vehicle stating that it conforms to all applicable standards in effect on the date of manufacture.

If a dealer adds a part to or otherwise modifies a certified vehicle before selling it, he falls within one of three regulatory categories: a "final stage" manufacturer, a person who "alters certified vehicles," or a person who "does not alter a certified vehicle or does so with readily attachable components."

A "final stage" manufacturer, as a manufacturer, has several regulatory hoops to jump through, including registration with NHTSA and certification with the safety standards. A "final stage" manufacturer completes an "incomplete" vehicle. An incomplete vehicle is marketed that way by the manufacturer, who provides information to the "final stage" manufacturer about completing the vehicle. "Incomplete" vehicles are labeled as such. Few passenger car dealers will fall into the "final stage" manufacturer category unless they do major custom work.

At one time or another, most dealers face the question of whether they "alter" vehicles before selling them. If a dealer makes any substantial additions or changes to a previously certified vehicle, then he has probably "altered" that vehicle. The NHTSA regulations require vehicle alterers to label their altered vehicles in order to certify to the first purchaser that the alterations were done in conformance with NHTSA standards.

Just what constitutes an "altered" vehicle is a tricky question. All dealer modifications, additions or finishing operations that invalidate the vehicle's stated weight rating constitute alterations. A change or modification that does not affect a vehicle's weight rating *and* that is an addition, substitution or removal of a readily attachable component, or a minor finishing operation such as painting, is not an alteration requiring a dealer certification label.

All changes or modifications by a

dealer to a certified vehicle must conform with all applicable federal motor vehicle safety standards regardless of whether or not the changes are considered alterations. Changes or modifications made by a dealer to new or used vehicles, before or after the initial sale, that violate federal safety standards carry a penalty of \$1,000 per violation.

Examples of changes or modifications that require compliance with the safety standards but may not be considered alterations are addition, substitution or removal of mirrors, tire and rim assemblies, lighting accessories, windshield wipers, wheel nuts and safety belts. On the other hand, the installation of a trailer hitch assembly that affects a bumper standard and the addition of a trunk luggage rack that affects the high mounted rear stop light may well be considered alterations.

Compliance with the alteration regulation requires that:

- A change or modification must be made by a dealer before the sale to be subject to the alteration standard.

- If a dealer makes an alteration, he must ascertain that the vehicle still complies with all affected standards. He is not responsible for certifying as to unaffected standards. Manufacturers can provide information as to whether an alteration will affect compliance with NHTSA standards.

- A dealer who alters a vehicle must attach to it a label that identifies the dealer, the date of alteration, the date and notice of conformity with the NHTSA standards, and any changes in gross vehicle weight or classification. Pre-existing manufacturer certification labels must remain attached.

To satisfy the NHTSA regulations, dealers who are *not* "alterers" are required to see that the manufacturer's label remains affixed to the vehicle. ■

—Douglas Greenhaus

AMERICA WORKS BEST WHEN AMERICANS WORK TOGETHER

Teamwork is making a comeback in America.

Cooperation on the production line helped America win World War II. We're in another kind of battle today — a fight for economic survival in an increasingly competitive world market. Cooperation in the workplace is helping us meet this challenge too.

In plants and offices throughout the country, management is asking employees for their ideas on how to increase productivity and improve the work environment. And workers and their unions are responding with a wealth of practical suggestions and a renewed spirit of cooperation.

For information about how others are working better by working together, contact:

Cooperative Labor-
Management Programs
U.S. Department of Labor
Washington, D.C. 20216
202-523-6098

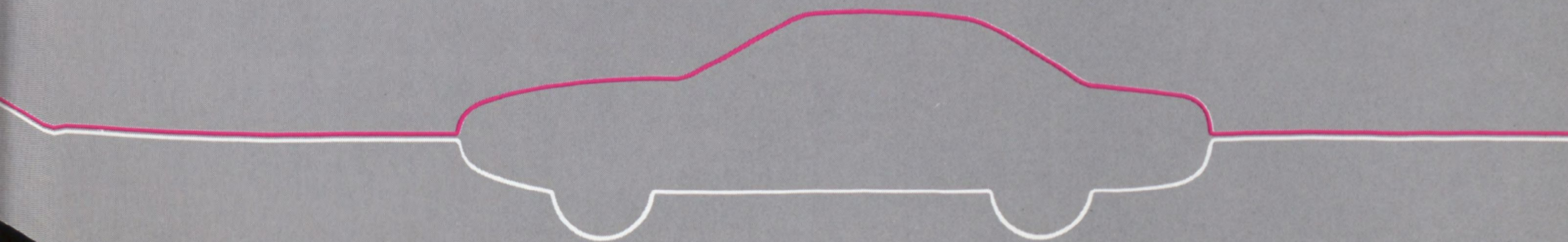
U.S. Department of Labor



Printed by this publication as a public service

This is the first of a new column on legal regulations, written by NADA's legal staff, to be featured regularly in Automotive Executive. If you have questions or need further information, write the Legal Department, NADA, 8400 Westpark Drive, McLean, VA 22102, or call (703) 821-7040.

**There are
two words
that can double
your profits.**



Follow-Up.

Don't let your customers drive off with your profits.

8 out of 10 of your customers may never return because of poor sales follow-up. What are you doing to bring these customers back, and how are you securing their referrals?

You can bank on The Gift Connection.

Word-of-mouth is the most effective form of advertising. And, when it's positive, you profit. In fact, 41% of all car sales come from positive personal referrals.

The Gift Connection's proven Post-Sale Marketing Program helps generate qualified referrals and repeat business by creating positive word-of-mouth advertising for your dealership.

Automotive dealers throughout the country report an average 75% to 80% response with our program. And, customer suggestions have helped many dealers cut costs and increase service and efficiency; which adds up to money in your bank.

Put a canned salesman to work for you.

For each car you sell, The Gift Connection hand delivers, via U.P.S., a thank-you gift to your customer – a tin of Imported Danish Butter Cookies.

Enclosed with this quality gift are two custom printed French Linen cards; a thank-you card, imprinted with your logo, and a response/referral card, stamped and addressed back to your dealership. This response card identifies your customer, documents how they heard about you, asks for their comments, feedback and, most importantly, referrals of their friends and business associates.

Five months after the sale we send your customer another response/referral card asking for their comments and suggestions on your service department, as well as additional referrals.

A sweet (tax deductible) deal.

This entire program is only \$10 per customer. There are no other charges or commitments. And it's 100% tax deductible, whether you include it in the price of the car or split it with your sales staff.

Positive word-of-mouth advertising, referrals, increased sales and greater profits; for only \$10 per customer. That means The Gift Connection could provide you with the highest return of any advertising program in the industry!

French
Linen
Envelopes
& Cards

The
5-month
Response/
Referral
Card.
Stamped and
addressed
back to you

Thank You

Thank you for the opportunity to be of service. We hope everything has been to your satisfaction. It is our desire to continue to provide you with the finest in quality and service. Please do not hesitate to call upon us if we may be of further assistance.

VALLEY MOTORS

Can you offer any suggestions to help us improve our service to you?

TOYOTA **CHEVROLET**

The Thank-You Card

We appreciate your confidence in us. To enable us to continue providing the quality service you desire, would you kindly take a moment to complete and mail this card? Your assistance is greatly appreciated.

YOUR NAME _____ ZIP _____
ADDRESS _____
CITY _____
STATE _____
PHONE _____
DATE _____

Do you know anyone anticipating the purchase of a new or used automobile in the near future?

1. NAME _____ PHONE _____
ADDRESS _____
2. NAME _____ PHONE _____
ADDRESS _____
3. NAME _____ PHONE _____
ADDRESS _____

Thank you again for purchasing your automobile from us

• Have you been treated courteously by everyone in our service department? Yes ☐ No ☐
• Was your automobile serviced promptly and completely to your satisfaction? Yes ☐ No ☐

VALLEY MOTORS
222 Main Street
Anytown, USA

INTERVIEW BY _____

Thank you again for your purchase!

• Were you treated courteously by everyone at our company? Yes ☐ No ☐
• Was your automobile delivered to you in satisfactory condition? Yes ☐ No ☐
• Was your order handled promptly and completely? Yes ☐ No ☐
• How did you hear about us? Radio ☐ TV ☐ Newspaper ☐ Yellow Pages ☐

Could you recommend any friends or business associates who might benefit from the products and services we offer?

1. NAME _____ ADDRESS _____ PHONE _____
2. NAME _____ ADDRESS _____ PHONE _____
3. NAME _____ ADDRESS _____ PHONE _____

Free sales training.

The only way to reap the full rewards of any Post-Sale Marketing Program is to have your sales staff conduct the proper follow-up. And to insure proper follow-up, The Gift Connection has created a comprehensive sales training program specific to the needs of the automotive industry.

When you enroll with The Gift Connection, we provide you with sales training tapes devoted exclusively to post-sale follow-up techniques. How to ensure customer satisfaction, guarantee repeat business, secure referrals and much more.

Even if you currently use a follow-up program, you owe it to yourself

and to your dealership, to put The Gift Connection to the test. If you don't, you lose profits — and that's the way the cookie crumbles.



Here's what some satisfied automotive dealers have said about The Gift Connection:

"Since signing with The Gift Connection, we have received a steady flow of positive responses along with a high percentage of referrals. And our sales staff is doing a better job at follow-ups, due to the positive responses they receive."

David Dow, Holiday Buick Oldsmobile.
Lancaster, California

"Your response cards have helped us pinpoint some weak areas in our services. As we correct these areas and inform our customers, we have received many profitable referrals. The Gift Connection is a value to us. Keep up the good work."

Diana M. Higgins, Bob Bell Imports, Inc.
Salem, Virginia

"We have always followed up with our new and used car customers, but it wasn't until we began to use The Gift Connection that we began to receive such favorable comments and responses."

Barry T. Covington, Covington Buick.
Silver Spring, Maryland

"We have found The Gift Connection marketing program to be a fantastic benefit to our organization. The cookies, thank-you card and response/referral card add a touch of class to our follow-up program."

Carolyn Urdzik Willis, Steve Urdzik, Inc.
Shamokin, Pennsylvania

"Our customers tell us that it's the first time an automobile dealer has been so thoughtful after the sale. We've had an excellent response from our customers. The Gift Connection is an effective follow-up program with a delightful twist."

John J. Simpson, Simpson Honda.
Bozeman, Montana

The right stuff.

We're not a premium house offering jellybeans or carmel corn. We are a marketing company. We have found, after testing hundreds of items, that the Royal Dansk Imported Danish Butter Cookies (a high recognition quality product) has generated the greatest customer response. With 90 delicious cookies per tin, your dealership's name and goodwill are spread throughout as the gift is shared with friends and business associates. In addition, most people save the tin, providing a constant reminder of your dealership.

Simple procedures/same day shipment.

We provide you with blank address labels. Simply fill them out and send them to us once a week and we do the rest. We guarantee to ship your orders the same day we receive your labels. All orders are hand delivered to your customer's home or office by United Parcel Service.

No contracts. No obligations. No fees.

It costs nothing to enroll with The Gift Connection and there are no contracts or obligations. Hundreds of automotive dealers throughout the country use our program for one reason only – *it works!* If you are not completely satisfied, you may discontinue at any time.

Confidential client lists.

All customer names are *your* property. The Gift Connection provides you with a written guarantee stating that we will not sell, barter, trade or permit the use of your customer names in any way, shape or form whatsoever.

The Gift Connection challenge.

Our program can't be beat. Call us today to receive sample cards and a *free* tin of cookies so you can "taste" our program. However, we never send milk!

Call Toll-Free 1-800-448-4438

THE GIFT CONNECTION

We mean ^{more} business.

15445 Ventura Blvd., Suite 1010, Sherman Oaks, CA 91403-3077, 818/990-3172

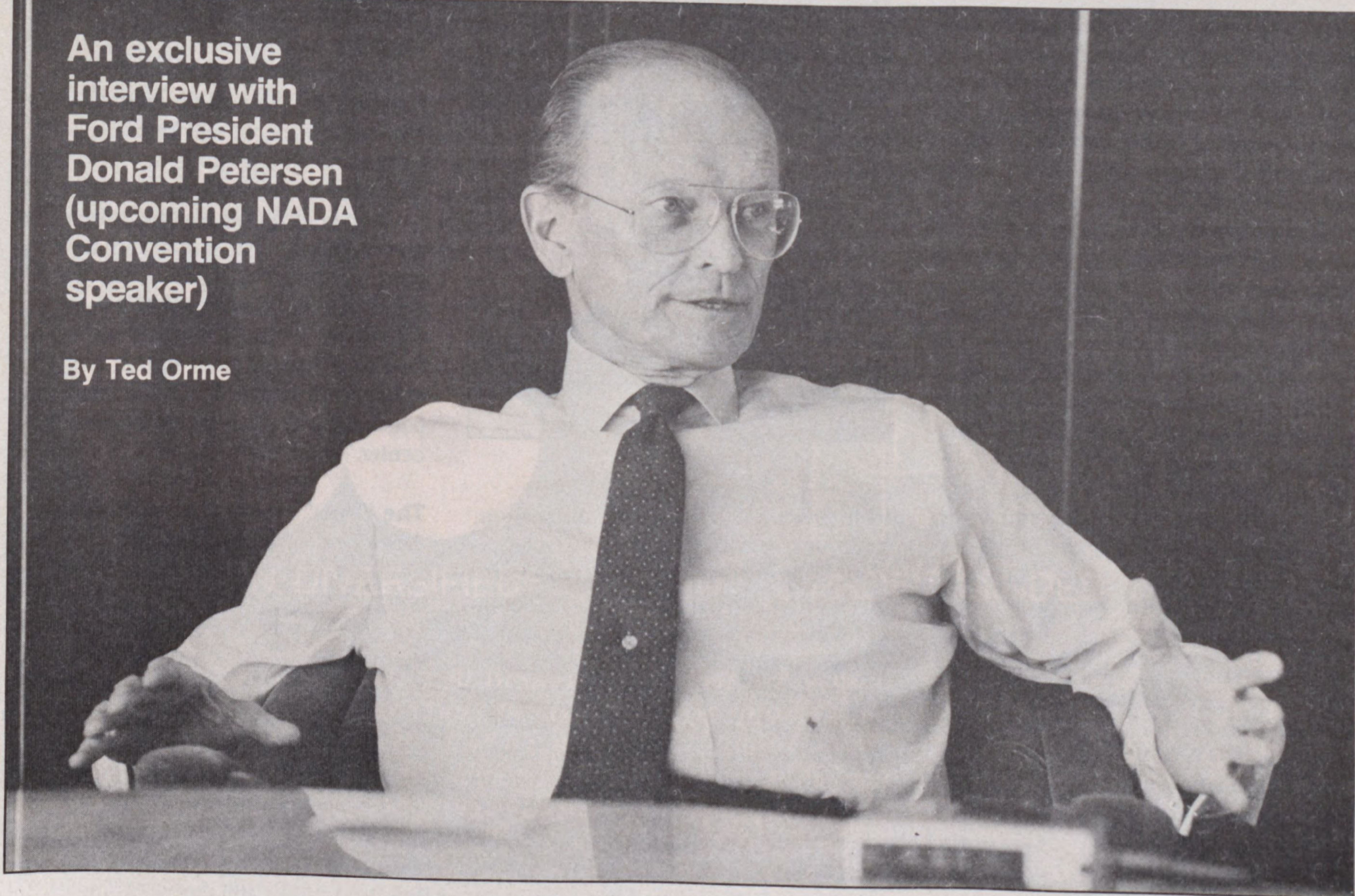
For more information, circle 95 on express card.

A Fresh Look for



An exclusive interview with Ford President Donald Petersen (upcoming NADA Convention speaker)

By Ted Orme



Partners" is what Ford President Donald Petersen calls the dealer body, and building "trust and confidence" between partners is one of Ford's primary missions.

"Our fundamental objectives are absolutely in common," Ford President Donald E. Petersen recently told *Automotive Executive*. "We are both in business ultimately to make a profit. We both know that satisfying the customer is the avenue through which you do that . . . that's the heart and soul of it."

Petersen, and nearly everyone else you talk to in Ford Motor Co., immediately begins to recite from a 3-by-5-inch laminated card entitled "Company Mission and Guiding Principles," developed after lengthy sessions with all levels of management, suppliers and dealers.

"Our mission is to improve continually our products and services to meet our customer's needs," he reads, "allowing us to prosper as a business and to provide a reasonable return for our stockholders, the owners of our business." Values em-

phasized are the three P's—people, products and profits—and the guiding principles listed on the card are quality, customer focus, continuous improvement, employee involvement, dealer and supplier partnership and integrity.

Petersen refers frequently to Ford's mission as he stresses the company's total commitment to quality and customer satisfaction. Without a blink, he looks you in the eye and says, "We will differentiate ourselves to serve our customers better than anybody else."

"We have made great strides through our national dealer councils and we have strong cooperation."

Everybody says that these days, he is reminded. "But we are going to do it," Petersen insists. They all say that, too, we persist. "And whoever does it best is going to be the winner," he adds. "And that's going to be Ford Motor Co."

What would you expect the new president of the world's second largest automobile manufacturer to say? But like a missionary who has chosen the wilds of New Guinea as his test, Petersen has a way of making you believe it. Most importantly, his mission is to make Ford customers, dealers, suppliers and employees believe it. And there is growing evidence they do.

Ford ranks highest among domestics in most independent customer satisfaction polls, and there is a noticeable feeling among dealers and suppliers that the company's commitment to quality in every phase of its operation is for real.

That's critically important to Petersen because, as he points out, "The only way to achieve that goal is through a combined Ford effort. By that I mean everybody associated with and integral to our whole operation. It's important that we look at every aspect of our business... from the inception of design work to the servicing and ongoing care and treatment of the customer—to do it better and more efficiently so our overall costs are lowered."

Dealer Relations

Ford has held in-depth sessions on products and processes with its two dealer councils, and Petersen believes the company's relationship with its dealers "is in the best shape of anyone's. We have made giant strides through our national dealer councils and there is strong cooperation now. We found a great many things that we concluded we could and should do better to be the customer-driven company and dealer body we want to be."

Petersen says Ford will aim for a more reliable, consistent and responsive system of production and delivery. "The ideal would be getting the car to the dealer as close as possible to the day he asked for it." The other big push will be



to improve the flow of communication, both human and electronic.

As Petersen explains it: "Good communication is vital to have a smoothly running system. And facts are essential to cope with new technology. We can't ever hope to have every mechanic and service facility totally trained to deal with the technology. But we have a tremendous obligation to provide information about what to do."

How well the customer is treated, both in sales and service, is, of course, a prime concern to Petersen. But he is quick to recognize that "one dynamic of the business that puts a special burden on us—that's different from other high-ticket consumer products—is the trade. We are really the only business where we are both a buyer and a seller... and it is not nearly as easy to be the good guy as it is in other sales environments."

Petersen says he is "relatively comfortable" with the size of the Ford dealer network, which he calls "one of the great strengths of our own system. Therefore we are going to be very careful about doing anything to that system."

In developing the Merkur franchise, for example, Ford did not want to repeat the mistake it had made with the Edsel—forcing franchises on existing dealers. Instead, the company kept an "open mind on the best approach to being a limited specialty line into this market," Petersen says. "We decided that any dealer who was going to take it on should demonstrate the ability to deal with a unique product. But we also concluded that we could find the dealers who would do that job within our Mercury dealers. That suggests what may be our approach as the market continues into an array of specialized vehicles."

Petersen does not fear that dealers will get too large. He realizes that multi-franchised dealerships are a growing trend, but he "deeply appreciates those dealers who have remained exclusively Ford. I see great merit in that kind of a close relationship. It can be more of a partnership than an all-vehicle shopping center."

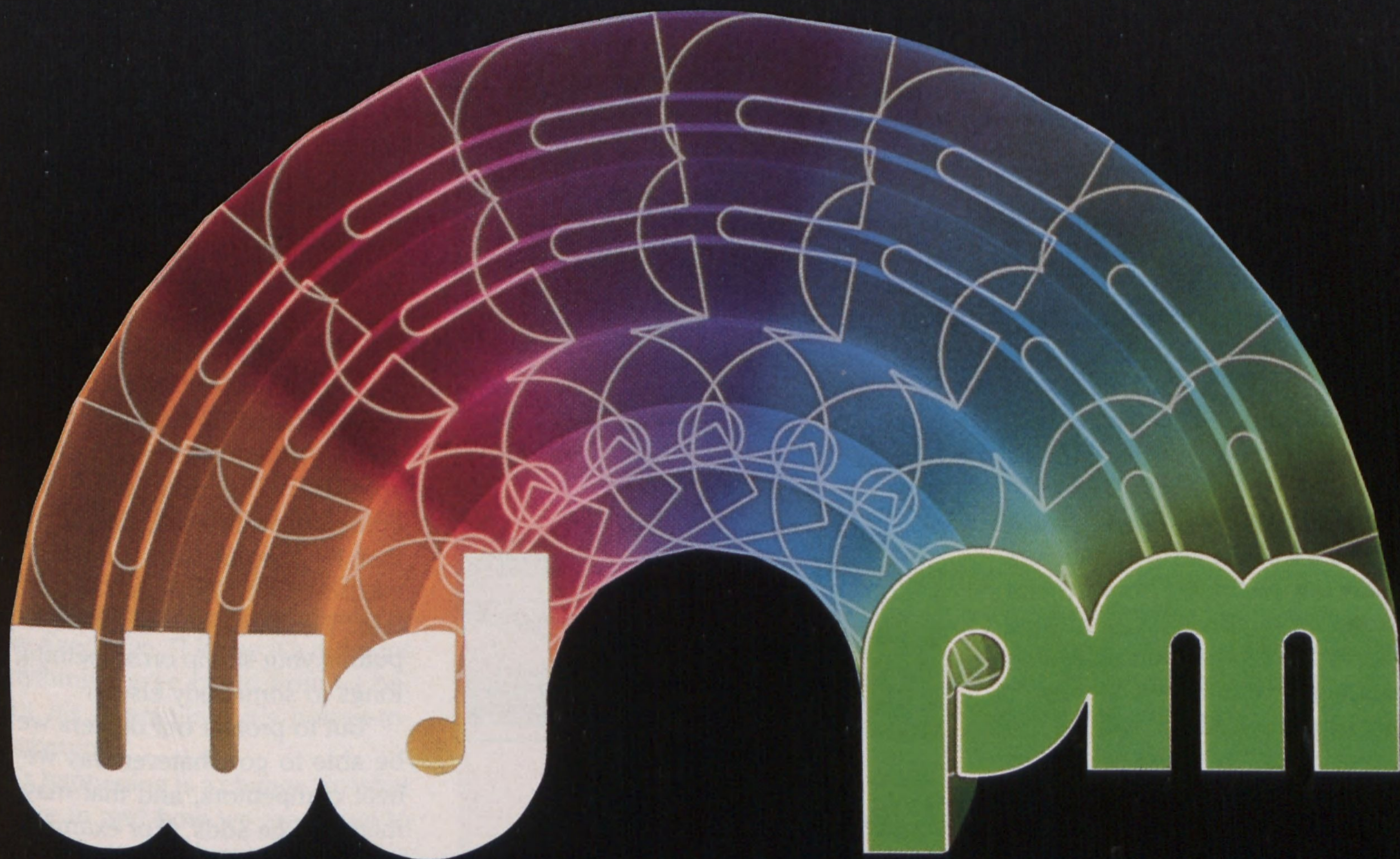
The "New" Ford—Taurus/Sable

Anyone who wonders what this total renovation of Ford philosophy, practices and processes has amounted to, or where the company is headed, should look at the new Ford Taurus and Mercury Sable. Petersen calls the Taurus/Sable "a visual and physical expression" of the team approach to designing and developing a car.

"We talked with customers and dealers about what people want in a product and we made the vehicle friendly to driver and occupants," he says. He singles out "the finest seats in the world" as an example of the Taurus/Sable ergonomic features. "I believe the aerodynamic design theme shows where the world market is headed. Good things come from applying that discipline."

The Taurus/Sable introduction was delayed until Ford could "get it right," another indication of the company's commitment to quality. "The level of new equipment in these products, Aerostar and Taurus/Sable, is a big undertaking. We found that it takes longer to get them in place, debugged and working prop-

WE'RE TURNING THE F&I BUSINESS UPSIDE DOWN



WESTERN DIVERSIFIED

PROFIT MINDED

At Western Diversified, we're turning the F&I business upside down finding new, innovative ways for dealers to make more on finance and insurance.

More profit on every F&I deal, innovative investing and a total commitment of service to our dealers and their customers is how a Western Diversified F&I program can make more for you. Call Western Diversified, the profit minded F&I company.

"Whatever it Takes"

WESTERN DIVERSIFIED

312-272-8300 800-323-5771

Circle #24 on Reader Service Card

erly," says Petersen. "We knew it would take a tremendous amount of training and retraining of our service people. But it also takes longer to see that all the individual areas coordinate . . . and that the computers speak the same language."

Alpha All the Way

Some of the new technologies and processes being applied to Taurus/Sable come from Ford's Alpha project, the company's answer to GM's widely reported Saturn project. "There is so much talk of things that will be used in the future," says Petersen. "But we have these things in place now. We are leading the parade."

Petersen explains that, more than a car, "Alpha is a study of all the processes that go into our business, how we can do each one more efficiently, and how we can apply the new technologies that are already there or that we see coming."

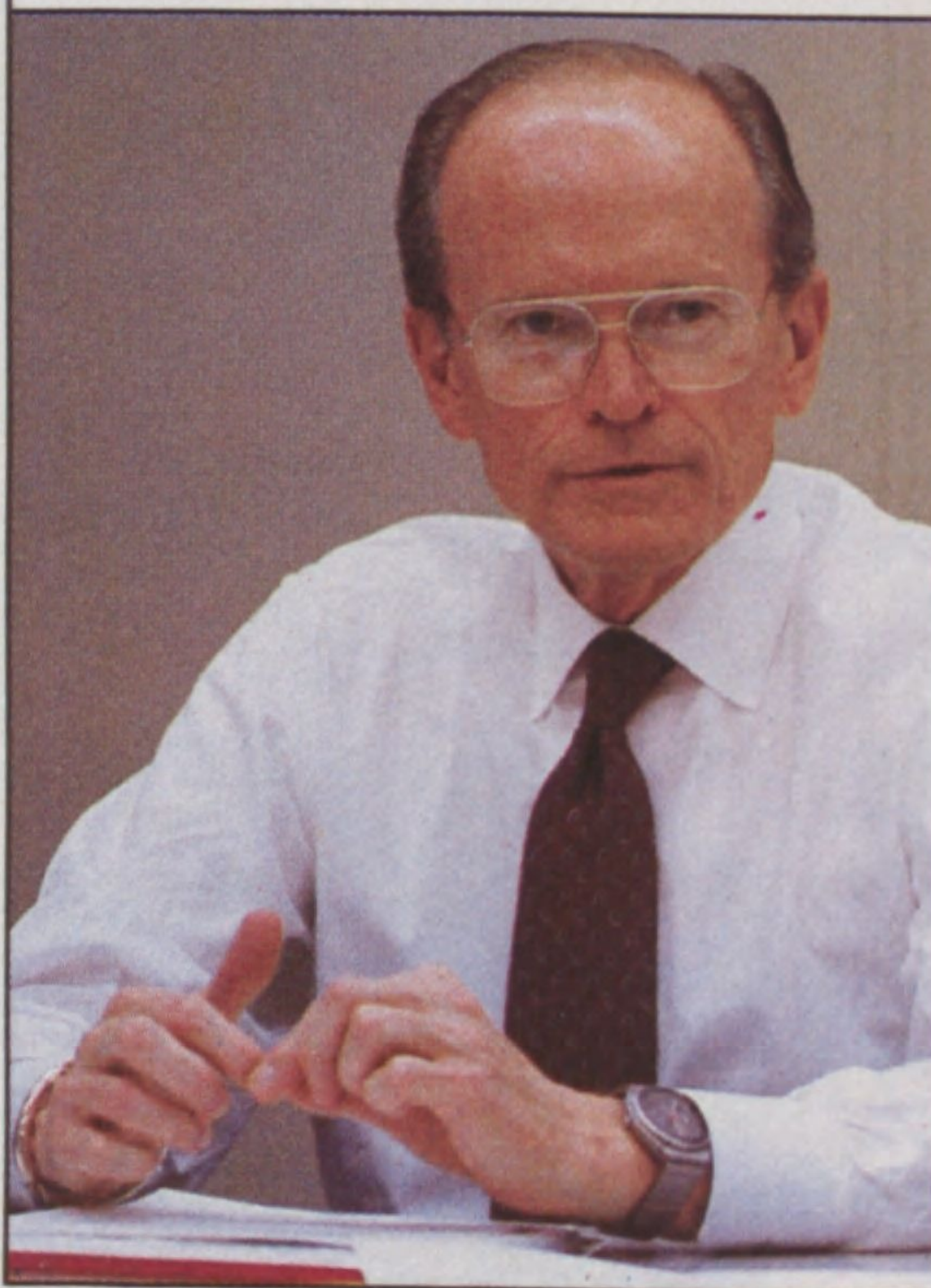
A major thrust of Alpha will be "to simplify processes," he adds, "... and aspects of Alpha will deal with the interface between the designer and product engineer, the product engineer and the manufacturing engineer, the manufacturing engineer and the suppliers and the people who do the manufacturing. The flow of information from sales provides input as to what the customer wants and output of what's coming from the product."

"Then we look for the most efficient way to handle distribution and marketing. As the Alpha effort generates a good idea we can apply promptly, we will certainly do that."

"A product may also flow from that but we're a little leery of freezing on a given product on a given date because that puts up mental barriers: 'Well, I can't consider that because it wouldn't be ready, or I can't consider this because the car would be too small, or it's going to be a four door.' I don't want to block off anyone's line of thinking."

Petersen does indicate, however, that the company's current thinking is along the lines of a "smallish" car with a flexible powertrain, either a four-cylinder or small V-6.

"The ideal would be to get the car to the dealer as close as possible to the day he asked for it."



Trade and Politics

Will projects such as Alpha and Saturn and Chrysler's Liberty allow the American automobile industry to compete better internationally? "I don't know the answer to that," Petersen says. "For the last five years we have been at a huge disadvantage that we haven't been able to do a darn thing about. The most obvious thing has been the currency imbalance. We've seen some tentative corrections. But when you've lived under one set of circumstances for five or six years, two or three weeks doesn't ease the mind. The giant question is, Will a policy be put in place in international currency relations that gives the American manufacturing industries—this isn't just an auto issue—a fair chance to get the job done?"

Petersen chuckles at the suggestion that big business is becoming Democratic, but he makes it clear Ford will "work very closely and profitably with those political figures who understand the problem and are working to correct it. I don't think it makes us Democrats or Republicans. I think we know we must find ways to work cooperatively with govern-

ment through the administrations."

But that's just half the problem, as Petersen sees it. "The other half of the problem is achieving worldwide competitive efficiency throughout the system, not just within the plant. And that's where Alpha comes in."

Ford has pledged to continue to deliver a full competitive line of products. But Petersen admits "it worries the hell out of me" that in the near future the first Ford purchased by an entry-level customer may be Japanese or Korean. "I want to have clear Ford heritage. Now to the extent we are a multinational firm and can demonstrate that Ford has an approach to building products that is the Ford way worldwide, and to the extent that Ford input went into the development of that product, that helps that problem." He is not in favor, however, "of just putting your stamp on something that belongs to somebody else."

"But to protect our dealers we have to be able to go whatever way we must to beat competitors, and that may mean a mixture," he adds. "For example, we will never be able to tool uniquely for a limited volume of specialized road vehicles like Merkur in this country. There just aren't enough buyers."

Nor does Petersen think it would be worthwhile tooling up for a car smaller than the Escort. Instead, Ford is planning to bring in a Mazda-designed car made by Kia of Korea, and it has other efforts under way with Mazda in Taiwan, Mexico and Brazil, as well as "continuing discussions" and joint development efforts with Fiat. "Those all are potentially low-cost ventures," he says.

With all this international cooperation and development going on, why should people buy American?

"The reason people should buy American has to be because the American car is the best value," Petersen concludes. "It must be the most desirable automobile, and it must serve their needs best. That's ultimately the test." ■

Ted Orme is contributing features editor of Automotive Executive.



By Ted Orme

When Joe Kordick took over as general manager of Ford Parts and Service Division April 1, he told the division's 7,600 employees, via satellite broadcast, "My dream is that in a thousand days this division will be known as the most loving, caring group of people in the Ford Motor Co. We will set an example for everyone we touch."

It was no April Fool's joke. In the 250 days following that address, Kordick, 30-year veteran of Ford, has infused the division, its suppliers, and many of its dealers with the beginnings of what he calls "a whole new culture of trust and cooperation."

"I know it sounds incredible," Kordick tells his skeptical interviewers from *Automotive Executive*. "I know it's different from anything you've heard from us before. But it's happening. It's honest-to-God happening."

What's happening is a change "in what we believe in and how we are going to live," Kordick says, as documented in the "Company Mission and Guiding Principles" statement (see accompanying Donald Petersen interview). It is also an initiative that bucks 75 years of tradition and often rough-and-tumble factory-dealer relations at Ford.

"We have not always dealt with each other as partners," says Kordick. "Today we have a system largely based on punitive measures—audits, claims systems and special controls—that say to dealers, 'We don't trust you.' Now we are saying, 'We trust you and we want to be your partner.'"

But you don't make changes with rhetoric, so the first thing Kordick's division did was come up with its own mission statement, to have the "most satisfied service customer in the world and the best parts market and distribution system," he says. "Then we came up with 35 inhibitors—35 things in our environment getting in the way of our being able to say that customers are the focus of everything we do."

General Manager Joe Kordick's Parts and Service Mission



A full-time committee, made up of six division employees and six members of Ford's Dealer Council, was formed to help identify dealer/factory problems, and five task forces were formed within the division to address the problems the council found: vehicle pre-delivery problems at the dealership, lack of customer accessibility to the factory, customer goodwill and extended policy adjustment beyond the warranty period, and written communication with customers, including "plain English" usage in owner's manuals and warranties. "I challenged my staff to cut the warranty book in half, and rewrite it on an eighth-grade reading level," says Kordick.

Actions have not been confined to Washington-style committee making and task force forming, however. In Kordick's first 250 days, the division made some nitty-gritty changes:

- As a show of faith to dealers, Ford now picks up the tab on its quality commitment surveys to owners, formerly paid for by dealers.

- For the top 5 or 10 percent of its dealers "who have demonstrated by their performance that they are truly oriented to taking care of customers," Kordick says, the division has authorized the disbursement of corporate funds without prior approval of Ford.

- The division will now waive prior approval on "M" time—service work not given an official time in the Ford labor standard manual—if the dealership agrees to send a technician to a five-day training program.

- Warranty audits are now confined to 12-month periods, allowing dealers to keep records for as long as they want without fear of review.

- The formula for warranty audits has been changed to recognize the special problems of dealers with disproportionately high "visiting owner" warranty expenses.

The division also is looking at high turnover in the field staff, as well as budgets, staffing and training. Moreover,

TIME



Dealer's choice.

America's auto dealers know vehicles — and TIME is the vehicle they prefer for magazine advertising.

You would expect auto dealers to have strong opinions about the magazine that works best for auto advertising. And they do. Last year an independent survey of new-car dealers across the country found that more of them prefer to see their models advertised in TIME — by a three-to-one margin over the nearest competitor.

The study went further. It found that more dealers read and subscribe to TIME than any other magazine, including their auto-

motive trade magazines.

Conclusion? As businessmen, dealers appreciate TIME as an advertising tool; as readers, they trust its reputation for quality journalism.

Yes, auto dealers respect TIME. And the feeling is mutual. Each year TIME presents its prestigious Quality Dealer Award at the NADA convention. This commitment to enhancing the reputation of America's auto dealers, now in its 15th year, is another reason TIME is the dealer's choice.

Call Jeff Cornish, TIME's Domestic Automotive Category Manager at (313) 874-8207 to receive a booklet describing the dealer survey. He can also give you more reasons why TIME is the dealer's choice — and the manufacturer's choice — and the reader's choice.

TIME

Get more out of it.

there is a strong push for more participatory management, employee involvement and communication, and delegation of responsibility. "I refuse to sign any paper with more than five signatures on it," Kordick notes. "I used to get memos with 19 signatures."

"What we have done so far is stop the momentum that was going in the wrong direction," he says. "We have done away with what was called the 'second-class citizen syndrome,' the feeling by some in the division and dealer body that Parts and Services was a second-class organization."

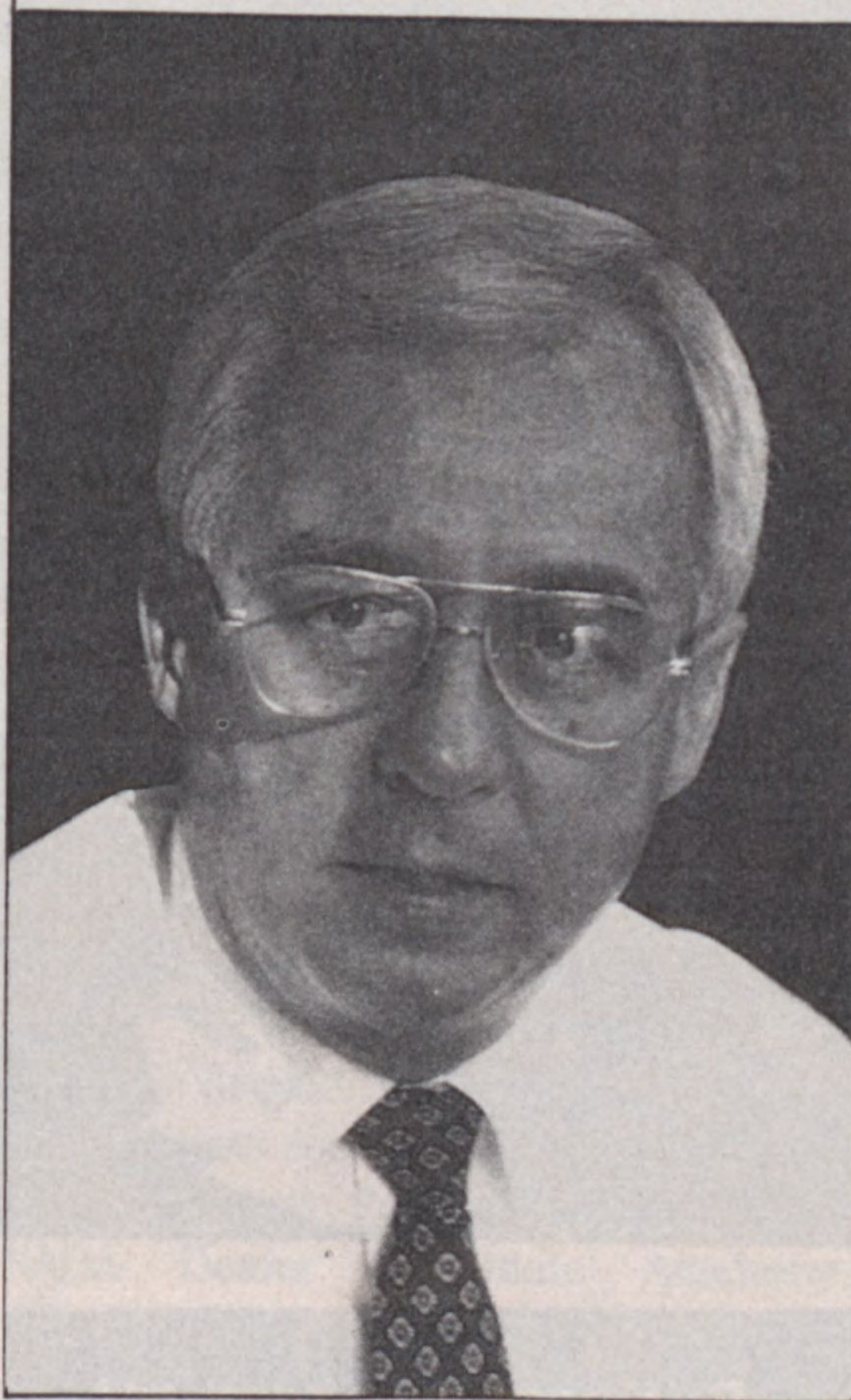
"I've asked the dealers to tell me what they expect from our people, and I've told them what I think they ought to be doing. We are working together to pull ourselves out of these holes we are in. Some dealers have said, 'How do we know you won't walk away from us?' and I've told them, 'You don't. You have absolutely no reason to trust me because in the past we have disappointed you. All I can do is try and convince you times have changed.'"

Are dealers convinced? Kordick quotes from a letter he got after a recent meeting with the Ford Dealer Council, from Boston dealer Ed Newman, the chairman of the Council's parts and service subcommittee. "It was the most frank and honest meeting I have ever attended involving company people," wrote Newman. "I believe, as I'm sure you do, that if we are honest with each other there isn't any problem that can't be solved to our mutual benefit."

The motivation to change is not merely the result of a new altruistic philosophy, Kordick says. Tough competition and new consumer laws make it impossible to ignore service customers anymore. And, echoing the sentiments of Ford President Donald Petersen, Kordick says, service satisfaction is "probably the best remaining frontier for a franchised dealer to gain a competitive advantage . . . it is clearly a quantifiable opportunity for a difference."

Being a winner or loser in this game is mostly a matter of mind set, he says. "Half the time it's what you believe and

"Service satisfaction is probably the best remaining frontier for a franchised dealer to gain a competitive advantage."



not what's going on. Once a commitment is made to quality, marvelous things begin to happen."

Kordick does not believe the size of the dealership is a critical factor to success, though he recognizes the limited resources small dealers have to put into equipment and training, and the potential for a lack of personalized service in high-volume stores. But many big dealers have skirted these problems by going to a team approach, installing extra quality control and making their technicians more accessible to customers, he points out.

Ford is looking at more satellite training centers and training personnel, as well as more electronic training and communication to help smaller dealerships keep up with ever more sophisticated technology.

Kordick points proudly to the new \$695 OASIS service computers being introduced to dealers this month as an afford-

able aid that will allow any dealer to access the latest service bulletins and procedures from division headquarters. He also says that "within five years, maybe three, you will be able to drive into a dealership and hook up to a probably \$20,000 piece of equipment that will diagnose the vehicle with no hands laid on." He does not indicate, however, how small dealers will pay for these.

Kordick recognizes that the most important ingredient in customer satisfaction is still product quality; therefore, twice as much of Ford's resources will go into making vehicles as good as or better than the competition's—a goal that will be achieved within five years. But that doesn't mean the dealer will be shut out of service business.

"Even though the returns may be lower, owner retention will be higher," he says. "Dealers can also go after the 20 million Ford vehicles that don't come back to the dealership today. We really haven't pursued those folks very aggressively. And there is no evidence that the independent service aftermarket is going to be able to handle some of the more complex repairs required under the hood."

Kordick sees nothing but success for dealership service if the Ford Parts and Service Division can demonstrate that "we do in fact love and care for each other." If his division can convince dealers of that, he is confident "it will rub off and dealers will grab it and run with it, because they are as loving and caring as we are. We have just never given them the chance to love back."

And if this love fest fails? "I will offer up my body," says Kordick. "If I'm not here at the end of a thousand days, you will know it didn't work. But I firmly believe this is the time to settle this issue."

He closes by pointing out that "history has already been made. There is a Lincoln-Mercury Dealer Council meeting in a couple of weeks, and there are zero issues in my division. When I took over in April, there were 19." ■

Ted Orme is contributing features editor of Automotive Executive.

What's in Store?

42 workshops will be offered in four categories:

- business management
- general management
- sales and lease
- service

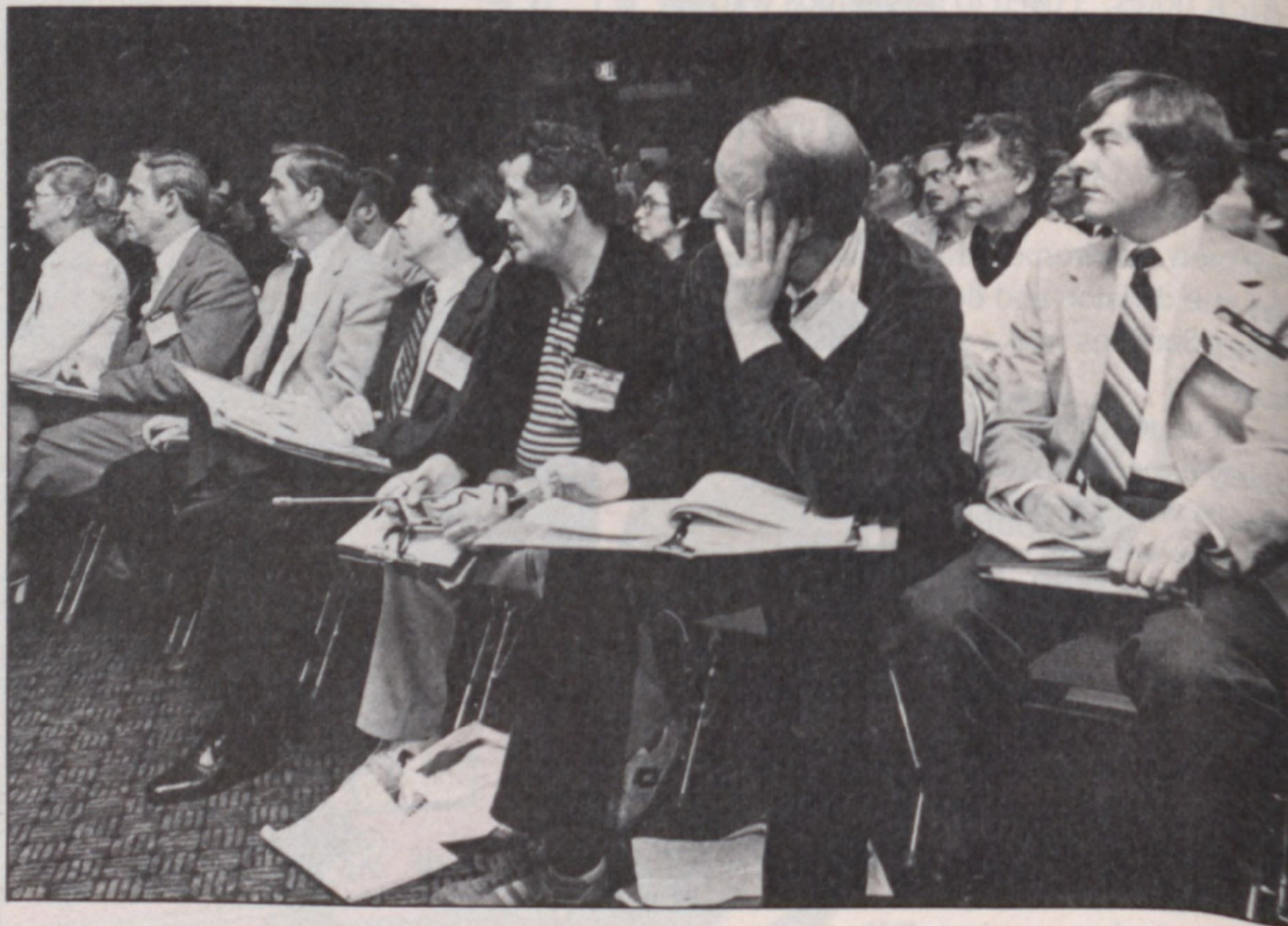
Most are offered three or four times, for a total of 136 sessions, all at the new Convention Center in New Orleans.

As always, the workshops are a crucial part of the NADA convention. NADA's workshops are designed to keep dealers up to date on the latest developments in management, sales and service. Most are offered three or four times to enable dealers to attend all the ones they want.

Once again, NADA will offer Continuing Education Units (CEUs) for participation at workshops. CEUs are measures of the amount of organized study a person has completed. Similar to course credits at an accredited college or university, they are awarded to individuals in non-degree educational activities.

NADA offers credit not only for workshops, but also for NADA-sponsored seminars, the NADA Dealer Candidate Academy, attendance at NADA 20-Group meetings and videotape programs. Units can be converted to college credit by applying to Northwood Institute in Midland, MI and completing a degree program through a variety of study options.

A list of programs by category follows.



Business Management

A detailed schedule of times and rooms will appear next month.

Attracting the woman customer

The woman customer represents the fastest growing market in the retail car business. This workshop will highlight some results of recent studies by manufacturers and marketing research firms, and offer dealers practical ideas for attracting the female car buyer. Speakers: Carol Koby, consultant, Madison, WI; Rhoda Raider, Raider Inc., Washington, DC.

Buying and selling dealerships

A panel of experts discusses the procedures involved in buying and selling a dealership, for expansion, relocation, retirement or other reasons. Speakers: Kevin Tighe, attorney, Washington, DC; Allan Curhan, attorney, Boston, MA; Bill Geddis, former zone and business man-

ager, Chevrolet, Boston, MA; Arthur Bent, former dealer, Boston, MA.

Dealership design

A dealership design expert will address the issues of site planning, department layout and merchandising trends. Speaker: William E. Poole, architect, The Poole Partnership, Maitland, FL.

Estate planning for dealers

NADA's estate planning expert will profile a dealer, his family and his estate, and through example will outline important considerations for every dealer. Speaker: Grover Lewis, manager, NADA Estate Planning.

How to balance multi-franchise operations

Chain dealers will share the strategic planning exercises they went through before deciding to expand. Speakers: Richard Kull, Manage Rite, Marlton, NJ; Max Pearson, Richmond Honda, Richmond, VA.

How to compete in an era of "Getting bigger is better"

This workshop, presented by a successful dealer, is for the small dealer who must remain competitive in price, service and selection. Speaker: Frank Terracina, Terracina Motor Co., Greenville, MS.

Is your insurance program due for a tune-up?

This seminar will evaluate the property, liability and worker's compensation risks and insurance needs common to dealers. Other topics include risk retention, insurer integrity and the new claims-mode general liability coverage forms. Speaker: Kathryn G. Furr, Warren, McVeigh & Griffin Inc., Newport Beach, CA.

An overview of your NADART retirement plan

Because the laws governing retirement plans have changed radically during the past five years, this workshop will update NADART dealers on changes affecting their plans and present ways of upgrading and improving them. Speaker: Henry Tufts, NADA Retirement Trust.

Which NADART plan best suits your dealership's needs?

This workshop offers a discussion of the various types of tax-qualified plans available to dealers and their employees for accumulating capital on a tax-deferred basis, and an explanation of the high degree of flexibility permitted in establishing a qualified plan to suit the desires and economic needs of dealerships. Speaker: Henry Tufts, NADA Retirement Trust.

NADART's presentation of the cash and deferred arrangement 401(k) plan

The speaker will discuss how this plan provides dealers and their employees with the most efficient means of building capital—with pre-tax dollars. Speaker: Henry Tufts, NADA Retirement Trust.

Successorship planning

Representatives from the NADA Dealer Candidate Academy will discuss the in-



tricacies of family successorship, with helpful hints for the dealer and successor. Speakers: Paul West, instructor, NADA Dealer Candidate Academy; Woody Miller, manager, NADA Dealer Candidate Academy.

Taxation of demos revisited:

There is life after the 1984 tax act

NADA's chief counsel will offer an update of dealers' responsibilities under the 1984 tax act. Speaker: Robert Wade, NADA Chief Counsel.

The tightening insurance market

A risk management company representative will discuss what dealers can do about changes in the insurance market and whether they have any bargaining powers with agents and brokers. Speaker: Edward Armstrong, The Wyatt Co., Washington, DC.

Twenty expense-saving tips from NADA 20 Groups

Twenty of the best expense control ideas gathered in 1985 from dealers across the country will be shared, with the focus on the proven and the practical. Speaker: Bob Young, NADA 20 Groups.

Your secret weapon: Women in automobile dealerships

The speakers discuss the inherent problems and advantages in the trend to put women in responsible dealership positions. Speakers: Joy Griffiths, dealer, Fairchild Buick-Cadillac-Pontiac, Ashland, KY; Jayne Hamilton, Market Development Association Inc., Detroit, MI.

Your personal computer and how to get the most out of it

A representative from a multi-million dollar computer company describes typical ways a dealer can use the PC as a valuable management control tool. He will also discuss what "off the shelf" software is best for dealership use. Speaker: Vern Olson, EDS, Troy, MI.

General Management

Advanced retailing concepts

The speaker will explain how to establish a total merchandising concept through innovative display ideas. Speaker: Dan Dorsey, Nexus Co., Columbus, OH.

Assessing dealership personnel

This personnel consultant teaches dealers to establish personnel programs in their dealerships to avoid turnover, emphasizing the importance of first evaluating and qualifying the job. Art Niemann, Art Niemann & Co., Chicago, IL.

Communication skills in management, sales and service

This workshop presenter provides specific examples of how to win people over through communication in selling situations, management interactions and in service confrontations. Speaker: Terry Walter, Associate Personnel Technicians Inc., Wichita, KS.

Creative management pay plans

Computer simulation exercises performed by management consultants who also operate a successful dealership

"NADA's workshops are designed to keep dealers up to date on the latest developments in management, sales and service."

demonstrate how involving employees in the development and monitoring of pay plans can lead to more accurate forecasting and greater employee commitment. Speakers: Don and Joey Spear, Spear Management Systems, Pittsburgh, PA.

Designing the employee handbook

The handbook helps employees work within established guidelines, and gives management an accepted framework for evaluation. The thought processes required in putting together a handbook suited for your dealership will be reviewed. Speaker: Steven C. Robinson, Cor-Tech, Hanford, CA.

Experience vs. potential in employee selection

This workshop discusses how to attract new blood to the business and then develop these "green peas" into a new breed of employee. Speaker: Jim Preston, Assessment Design International, Maitland, FL.

Honesty and integrity in employee relations

This speaker, a security and loss prevention specialist with a wealth of auto dealership experience, focuses on three factors in building a strong foundation: solid hiring practices, continued training and employee involvement. Speaker: Clyde D. Johnson, Salt Lake City, UT.

Quality service awareness

This workshop will help you integrate quality service and customer satisfaction into every facet of your dealership operation. Speakers: Ken Merbler, Philip Crosby Associates Inc., Winter Park, FL; William Graves Jr., General Manager, Brandon Chrysler Plymouth Inc., Brandon, FL.

Remembering made easy

This Dale Carnegie-based workshop is designed to help salespeople sell the customer the right car, service writers to develop a rapport with their customers and managers to manage their employees. Speaker: John Moser, Dale Carnegie Leadership Institute, Silver Spring, MD.

Sales & Lease

Advanced leasing for companies with 100 to 200 vehicles on lease

This speaker will concentrate on the basics of in-dealership leasing using the questions most frequently asked by dealers and managers in seminars in 1985 as a basis for his agenda. Speaker: Michael Gorman, Auto Lease, Fairfield, OH.

Advertising in small markets

This workshop, geared to the dealer who budgets less than \$50,000 a year for advertising, will focus on how to get the most out of advertising dollars through advanced tracking and planning. Speaker: Harris Wheeler, Bedford Advertising, Dallas, TX.

Designing an ad campaign—for dealers selling 100-plus new and used units a month

The advertising specialist presenting this workshop for the larger dealer will provide participants with tips to coordinate advertising efforts to develop an effective dealership image and generate increased floor traffic. Speaker: Jim Mudd, Jim Mudd Advertising Inc., Cedar Falls, IA.

Evaluating your sales customer's satisfaction

Finding out why a person purchased or did not purchase a car from your dealership can provide you with valuable information. The only way to increase customer satisfaction is to evaluate your current sales efforts. Speaker: Robert Mancuso, Consumer Concepts Inc., Barrington, IL.

F&I stands for found income

The secret to a good F&I department is in the people you hire, your training and the systems you put in place to measure results. Speaker: Roy Smith, Roy V. Smith & Associates, Farmington, CT.

Profit centering your sales department

The leader of this workshop believes

each salesperson's worth to your dealership is essential to product profits. The two dealers supporting him believe each salesperson's net profit contribution should be tracked monthly. Speakers: Rick Murray, management consultant, NADA 20 Groups; George Whitlow and Larry Benner, dealers, Nally Chevrolet Inc., Atlanta, GA.

Professionalism in selling

The author of the book "The Best Seller" teaches dealers and sales managers how to put professionalism in their sales force. Speaker: D. Forbes Ley, Sales Success Institute, Newport Beach, CA.

Showroom leasing

This workshop will focus on the benefits of brokered leasing, teaching dealers and managers how to identify the new leasing customer, how to sell a lease to the customer who has never leased before, and how to manage this "new," highly profitable business in your dealership. Speaker: Don Chalmers, dealer, Sound Ford, Renton, WA.

Telephone prospecting

This workshop speaker, a specialist in telephone training, will use role playing to train participants to gather better results with fewer calls. Speaker: Tom Stucker, Stucker & Associates, Lombard, IL.

Used-car merchandising and management

Successful dealers will share "curb to customer" used-vehicle merchandising and management tips.

Service

The future of the service department

The panel will examine what types of facilities, equipment, people and training will be needed in tomorrow's service department, as vehicles become more complex, service intervals widen and customer expectations escalate. Speakers: Maurice "Butch" Shull, instructor, NADA

Dealer Candidate Academy; Bud Betz, dealer, Betz Chevrolet; John Peters, Goodyear Tire & Rubber Co., Akron, OH.

How to operate a profitable body shop

This workshop explores the facility, equipment and personnel changes that can put a dealer back in the body shop business. Speakers: Jeffrey Silver, Interindustry Conference on Auto Collision & Repair, Des Plaines, IA; Jack Sutherland, 3M Auto Repair Management Systems, Foster City, CA.

Parts and accessories management

An experienced parts consultant offers operating techniques for the parts department to ensure maximum levels of service and profitability. Speaker: Robert Pearson, Bob Pearson Enterprises Inc., Birmingham, AL.

Market repositioning through customer satisfaction in service

The speaker will offer simple suggestions for defining the market position you want, using customer satisfaction as a strategy for repositioning, presenting the benefits of customer satisfaction to your employees and developing a market-responsive customer relations philosophy. Speaker: Bill Kessler, Vernine & Associates, Knoxville, TN.

Service advisors equal customer satisfaction

The speaker discusses training procedures for preventing high turnover in this critical position. Speaker: Charles Gates, consultant, NADA Service Systems, and dealership service managers.

Service through the consumer's eye

The speaker helps dealers see their service department as customers see it when they walk in the door, and offers easy steps dealers can take to improve the customer's image of the service operation. Speaker: Brad Sears, Last Chance Garage.

Warranty administration and collection

This workshop reviews the nuts and bolts

of warranty management from write-up to collection. Speaker: James Muntz, Warranty Dollars & Sense, Metuchen, NJ.

Will there be technicians tomorrow?

The speaker discusses recognition sys-

tems the dealer can put in place to help raise the technician's self-image and ensure an adequate supply of talent for the future. Speaker: Bob Frawley, director, NADA Marketing Division, and dealers and service managers.

THE BUCKS\$ START HERE

50%

EXTRA PROFIT BUCKS
with DuraGuard's professional
"Protection Program"...

- Rust Protection
- Finish Sealant
- Interior Preserver

It all adds up to **more** profit on every car you sell. And it's all just a free call away...

1-800-LIKE NEW

(Inside New York, 1-800-533-7227)

DuraGuard, Inc.™

AUTOMOTIVE VALUE PROTECTION
20 Cottage Place, New Rochelle, New York 10801

"If it's not protected by DuraGuard,
it's not really protected."

Circle #10 on Reader Service Card

The new Downdraft Far and away



Blackhawk's new combination downdraft spray booth and baking oven in place. Above-ground installation shown.

The new Blackhawk downdraft paint booth and baking oven is a state-of-the-art installation for Base Coat/Clear Coat jobs. Its shadowless lighting environment is ideal for spray painting.

The Blackhawk booth meets or exceeds current and proposed OSHA requirements; 100% clean air circulates through the paint booth 5 times per minute during the painting cycle.

The booth is big enough for light trucks or vans, and can perform up to eight jobs per day under normal operating conditions.

At your option, the control panel is fully automatic or manual, and the booth can be used easily by your present staff.

So if you're looking for a profitable painting environment, the sky's the limit with Blackhawk.


BLACK

from Blackhawk.
above the rest.



HAWK®

Circle #5 on Reader Service Card

Blackhawk Division of Applied Power 
11333 W. National Avenue, Milwaukee, WI 53227
1-800-558-4206 (in Wisconsin call 1-800-242-6840)

An aggressive dealer, Woulfe takes an active role in the day-to-day management of Shamrock Ford-Chrysler-Plymouth.

THE YEAR OF THE WOULFE

Meet our association's president-elect, a savvy Ford-Chrysler-Plymouth dealer from Dublin, CA, with decades of industry involvement.



By Gerry Donohue

Jim Woulfe has earned his cigar. Rarely seen without a Havana that would make Fidel Castro envious, Woulfe has worked long and hard to reach the pinnacle of the automobile industry. He is a singularly successful dealer in Dublin, CA and next month he will take office as the president of NADA.

The coming year will be a balancing act for Woulfe. On the one hand is the NADA presidency, on the other his dealership, Shamrock Ford-Chrysler-Plymouth. A hands-on manager, who would rather decide than delegate, Woulfe will have to find the time to give each of his twin responsibilities his full attention. Hours will be precious, but Woulfe is keen for the fray.

"The role of the NADA president is to be out among the troops, talking to as many dealers as possible at state and local meetings," Woulfe says. "And to listen to what dealers have to say about making our association better."

A Year of Challenges

Woulfe is not a neophyte to the problems or the power of the 19,600-member dealer

association. He has been a prominent member of the NADA Board of Directors since 1970 and has held several important positions. As first vice president during the past year, he has gained first-hand knowledge of the challenges he will face upon assuming the NADA presidency at the close of the 1986 Convention in New Orleans, LA.

"Our biggest challenges in 1986 are going to be keeping a vigilant eye on industry relations matters and doing away with the cancer in our industry called fleet subsidies," Woulfe says.

"Fleet subsidies are a thorny issue. The manufacturers always tell us about the great partnership we have, but when it comes to fleet subsidies, we're no longer partners."

Woulfe says NADA will continue to work for the elimination of fleet subsidies, both at the federal and state levels. "We're going to concentrate on this problem until we get it corrected."

In contrast, Woulfe says NADA will have to take a neutral stance on foreign trade issues, because "60 percent of our members sell imports.

"I will say, though, that when we had the so-called Japanese voluntary re-

straints, things seemed to work out for everyone—both the imported and the domestic dealers did very well."

While Woulfe says he has no specific priorities going into his term, he wants NADA to focus more intensely on industry relations, specifically in heading off potential threats to the franchise system.

"We have to concentrate more on long-range planning at NADA because it's evident that the manufacturers—specifically the Big Three—are looking at other methods of distributing automobiles. It seems that they are hedging on how they will distribute their new downsize cars, such as GM's Saturn and Ford's Alpha.

"The franchise system has been very effective for the past 80 years. I firmly believe it is the best way to distribute cars and NADA will fight hard to protect the system."

Woulfe is also concerned over smaller intrusions on the franchise system, such as GM's elimination of its wholesale parts compensation program (he says Ford is "taking a long look" at doing the same) and the manufacturers' attempts to have dealers put more money into co-op advertising funds.

"Even though they're making money,

"Our biggest challenges in 1986 are going to be keeping a vigilant eye on industry relations matters and doing away with the cancer called fleet subsidies."

the manufacturers are seeing if they can take a little more out of dealers' pockets," Woulfe says. "They're really making it tough for dealers to operate in a marketplace where there are increased expenses but lower grosses."

Woulfe is confident, however, that dealers will survive.

"The auto dealer has to be a pretty ingenious businessman, because he operates in an industry that is perpetually going up or down. While we lost about 4,000 dealers in the last recession, I think a lot of them were overexpanded. The wise ones that are left realize that they can't expand too much even though the market may be expanding. They know they can only afford to carry land and building costs that they can sustain in the worst recession."

Freedom of the Dealer

Woulfe practices what he preaches. Only last year did he open a separate sales facility for his six-year-old Chrysler/Plymouth franchise. The Chrysler/Plymouth building is adjacent to the Ford facility and the two share a common parts and service department. While Woulfe may appear to be a cautious businessman, it's difficult to argue with his success. Shamrock Ford-Chrysler-Plymouth had sales of more than \$25 million last year, moving about 1,600 new and 400 used cars.

And even with the common parts and service department, Shamrock's performance was still strong enough to win a Chrysler parts sales contest. Perhaps it was his dealership's name, or his ancestry, or perhaps Woulfe has a leprechaun working in his parts and service department, because in a twist of fate that would surely test the Blarney Stone, the contest prize was a trip from Dublin, CA to Dublin, Ireland.

Dublin, CA is a fast-growing town of 13,000 about 40 miles southeast of San Francisco. Woulfe opened his Ford store in 1974, realizing the potential of the region, which is a prime fringe area for the rapidly expanding San Francisco Bay area. He added Chrysler in 1979.

Woulfe started in the automobile bus-

iness in 1946, working in parts and service for Ford Motor. He stayed there almost eight years, eventually serving as field manager, where he first savored the freedom of the dealer.

"Working for the manufacturer was somewhat frustrating because there were a lot of things I wanted to do that I couldn't because of the company," Woulfe says. "I spent a lot of time calling on dealers—good and bad—and I decided that that's where my talents lie. It was the right decision. I've never looked back."

Woulfe's first venture into automobile retailing was as the general manager at a dealership in Albany, CA. He had his eye on the top from the beginning, however, buying 25 percent of the store in 1955 and taking over completely, upon the dealer's death, in 1959.

Woulfe is a strong dealer. He likes to keep constant control over his operation. The sales board in his Chrysler store hangs where he can see it clearly as he drives past in the morning. The board in the Ford building is equally accessible. Woulfe follows the day-to-day sales performance of his store the way a bettor does the tote board. In recent years he has spent less and less time in the dealership, as he has been on the road for NADA, but he has not surrendered his control. Heaven help the manager who cannot supply him with immediate pertinent information when he calls in from wherever he is, Woulfe says.

By keeping tabs on his dealership, Woulfe keeps the store on track, making certain his management ideas are being followed.

"I'm not the world's greatest car salesman," he says, "but I think success can be achieved by setting goals, following up on them daily and carefully controlling our expenses. It's simple, but if you do it, it works."

While adhering to basic business management ideas to build his success, Woulfe also has a few unusual ideas of his own.

"We're not heavy advertisers," he says. "My theory is that I would rather pay people a little more of that money than

put it off to the media.

"We pay that extra money to get and keep the highest caliber salespeople. It has more than paid off for us. We have very qualified people in our dealership."

NADA Booster

Having these qualified people has given Woulfe the opportunity to be active in the industry, on local, state and national levels.

A leader in the Northern California Motor Car Dealers Association, he has sat on the association's board of directors since the early 1960s. He has served as both the legislative chairman and the convention chairman.

Conventions seem to be one of Woulfe's specialties. He has not missed an NADA Convention since 1959 and has served as NADA Convention Chairman three times. He also served as secretary of NADA in 1974. In the fall of 1984 he was elected first vice president.

"The auto industry has been good to me and I think I should try to give a little back," he says. "I enjoy what I'm doing."

He is also proud of what he's done, seeing a dramatic improvement in NADA since he joined the board.

"We've improved our facilities and our staff," he says. "We have a very strong organization, and the caliber of directors is getting better every year."

Woulfe realizes that an association is only as good as its members and he has been a tireless booster of NADA, both to member and prospective dealers. He has convinced numerous dealers to join, using a somewhat unusual recruiting pitch.

"I try to embarrass them into joining," he says. "I say, 'Why do you want to be a freeloader? Your buddies are all in, why aren't you? We're doing the job for you and we think you should be a part of it.' That approach has worked pretty well for me. It's just my style."

It's a style that works. Give that man a cigar. ■

Gerry Donohue is assistant editor of Automotive Executive magazine.

1986 NADA

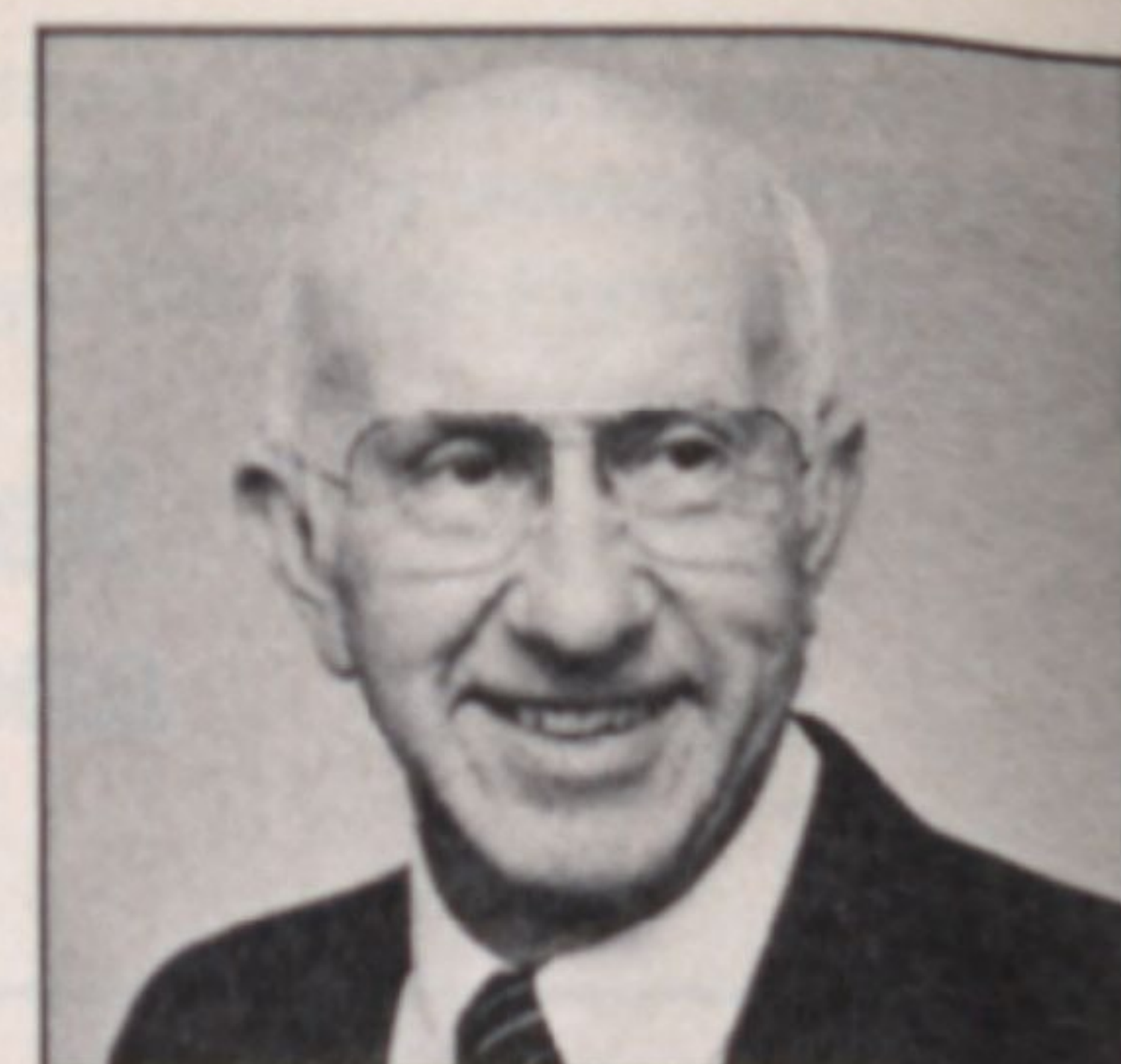
LEADERSHIP TEAM



Caplinger



Banks



Hartwig



Ursomarso



Bates



Green



Hayes

Business success and association participation are the hallmarks of NADA's leadership for 1986-87. Joining President Jim Woulfe on NADA's executive board are James T. Caplinger, first vice president; David A. Banks, secretary; and Marvin O. Hartwig, treasurer. The new officers will begin their one-year terms at the NADA Convention in New Orleans early next month.

Not new to the leadership of NADA, Caplinger has served as a regional vice president since 1984 and as the director from Arkansas since 1981. He has been a longtime, active member of the national dealer association, joining upon becoming a new-car dealer in 1961.

President of Caplinger Chevrolet Co. (Chevrolet-Cadillac) in England, AR, Caplinger got his start in the automobile industry in 1959 as a salesman and investor. He bought his dealership in 1961.

Caplinger has held several major offices in his state association, serving as president of the Arkansas Automobile Dealers Association (AADA) in 1978-79.

An active community member, Caplinger has been president of the Arkansas Association for Children with Learning Disabilities, chairman of the Lonoke County Housing Authority and a member of the Lonoke County Board of Education.

NADA's new secretary, David Banks, has truly worked his way up from the bottom of the automobile industry. Starting out as a car washer/delivery boy in 1946, he successively worked in every dealership department, eventually making his way up to sales manager and dealer. He bought his dealership, Banks Chevrolet-Cadillac Inc. in Concord, NH

in 1957, the same year he joined NADA.

Banks has been the NADA New Hampshire director since 1976, sitting on many committees. He has also been active in local associations, serving as director of the New Hampshire Automobile Dealers Association and president of the Concord Automobile Dealers Association.

Marvin Hartwig, NADA's new treasurer, has served as NADA secretary in 1981 and as regional vice president in 1979 and 1980. He also was president of the Iowa Automobile Dealers Association in 1970 and president of the Iowa City Dealers Association in 1966 and 1974.

An active industry leader, Hartwig serves as director of the Highway Users Federation and secretary of Automotive Service Excellence. He was a *Time* Magazine Quality Dealer of the Year Award regional winner in 1975 and received a Dealer Election Action Committee service award in 1985. President of Marv Hartwig Inc. (Lincoln-Mercury-Nissan) in Iowa City, IA, Hartwig has been a dealer since 1949.

Two new NADA vice presidents, elected to two-year terms, also will take office at the convention. Anthony Ursomarso, a Pontiac-Honda-BMW dealer from Wilmington, DE, replaces William Cammarano as vice president of NADA's Region I, representing New England. Ursomarso served as NADA treasurer in 1984 and 1985. He is a former president of the Automobile Dealers of Delaware, a director of the Delaware State Chamber

of Commerce and in 1971 was a *Time* Magazine Quality Dealer Award winner.

The other new vice president is Ernie Bates, president of Hardin Motors (Pontiac) in Elizabethtown, KY, who replaces incoming first vice president Caplinger as the Region II representative for the Mid-Atlantic and Southern states. Bates has served as the NADA Kentucky director since 1981 and is a past president of the Kentucky Automobile Dealers Association.

A dealer since 1959, Bates is a member of several civic organizations, including the American Legion, V.F.W. and the Lions Club. He is also an original member of the Kentucky State Dealer License Board.

NADA's two other vice presidents, serving the second year of their terms, remain the same. Vice president of Region III, representing the Midwest, is Ray Green. A Chevrolet dealer from Jackson, IL, Green has been a franchised dealer since 1958 and is NADA's Illinois director.

The fourth regional vice president is Jerry Hayes, a Buick-Jeep dealer from Salt Lake City, representing Region IV, the far West states. A franchised dealer since 1953, Hayes was elected an NADA director in 1975. He is past president of the Utah Automobile Dealers Association and has served on NADA's business management, service and parts, Guide Book and convention committees.

—Gerry Donohue

For free information on products and services advertised and featured editorially in this issue . . .

Simply fill out the attached postcard. Circle the numbers that correspond to the advertisements and items mentioned in this issue.

Circle	Advertiser	Page
1	Admark	53
2	ADP Dealer Services	14-15
3	Amel International	50
4	Application Software	53
5	Applied Power	42-43
6	Benwil	51
7	Benwil	54
8	Benwil	19
9	Cars Dyatron	22-23
10	DuraGuard	41
11	EDS	Cover 4
12	Ford Rotunda	7
95	Gift Connection	27-30
14	GM Protection	24
15	NADA Dealer Academy	52
16	Oakleaf	4
17	Pennzoil	16
18	Saginaw Steering	1
19	Sikkens Paint	2
20	Supra Products	54
21	Time Magazine	36
22	Universal Underwriters	Cover 2
23	Waxoyl	Cover 3
24	Western Diversified	33

Circle	Showcase	Page
40	Amel International	55
41	Customer Relations Service	55
42	Designed Data Systems	55
43	Du Pont	56
44	E & G Classics	55
45	Entertainment Publications	55
46	Kelsey-Hayes Co.	56
47	LoKost Marketing	55
48	MacGregor Manufacturing Co.	56
49	Martex Safety Products	56
50	Pacific Auto Accessories	55
51	Stewart-Warner	56
52	Thermal Aire	55
53	Union Carbide	56
54	Unique Car Enterprises	55
55	Universal Computer Systems	56

Calendar

January

1 to 5. Greater Kansas City International Auto Show, Bartle Hall, Kansas City, KS

2 to 5. Baltimore International Auto Show, Convention Center, Baltimore, MD

4 to 12. Delaware Valley's Philadelphia Auto Show, Philadelphia Civic Center, Philadelphia, PA

4 to 12. Greater Los Angeles Auto Show, Los Angeles Convention Center, Los Angeles, CA

9 to 12. Hampton Roads International Auto Show, Virginia Beach Pavilion, Virginia Beach, VA

10 to 17. Kentucky and Missouri Automobile Dealers Associations Convention, Maui Marriott Resort, Maui, HI

11 to 19. Dayton Auto Show, Dayton Convention Center, Dayton, OH

11 to 19. Detroit Auto Show, Cobo Hall, Detroit, MI

15 to 20. National Capital Area International Auto Show, Washington Convention Center, Washington, DC

15 to 26. Brussels Auto Show

22 to 26. Greater Toledo Auto Show, Lucas County Recreation Center, Mawmee, OH

28 to 30. Pacific Automotive Show, Reno Convention Center, Reno, NV ■

February

1 to 4. National Automobile Dealers Association Convention, New Orleans, LA.

8 to 16. Chicago Auto Show, McCormick Place, Chicago, IL

22 to 24. Automotive Service Industry Association National Convention, Hyatt

Regency Chicago Hotel, Chicago, IL

25 to 27. International Automotive Aftermarket Show, McCormick Place, Chicago, IL ■

March

21 to 22. Northeast Autobody Congress & Trade Show, Meadowlands Hilton, Secaucus, NJ

24 to 27. 35th Annual Motor Vehicle Maintenance Conference, University of Washington, Seattle, WA ■

April

4 to 6. The Greater New York Truck Show, Nassau Veterans Memorial Coliseum, Long Island, NY

5 to 6. Import Automotive Parts and Accessories Trade Show, New York Hilton, NY □

ROLLCO

Two sizes to accommodate your exact needs:
8,000 and 12,000 lbs.

Ramps and accessories available.

Priced to Leave the Competition Below Ground.

For Further Information:

AMEL INTERNATIONAL LTD.

P.O. Box 4360 Ann Arbor, Michigan 48106
(313) 769-1818

1 UPPER BEARING HOUSING

2 MAIN LIFTING NUT AND SAFETY NUT

3 BOTTOM BEARING HOUSING

OPTIONAL:
4 METAL NON SLIP PADS

6 STRENGTH SOLID STEEL BASE
SUPPORTS POST PREVENTS
LATERAL MOVEMENT OF POST
WHEN UNDER LOAD

The Rollco electromechanical lifts

- *SUPER SAFETY
- *MAINTENANCE FREE
- *THREE YEAR WARRANTY

No cables to stretch
No pumps to repair
No lines that leak

Automatic safety stoppers are built-in at lowest and highest level to provide complete security.

WORM SCREW AUTOMATICALLY OILED TO PREVENT WEAR

U.L. approved electrical control components are used.

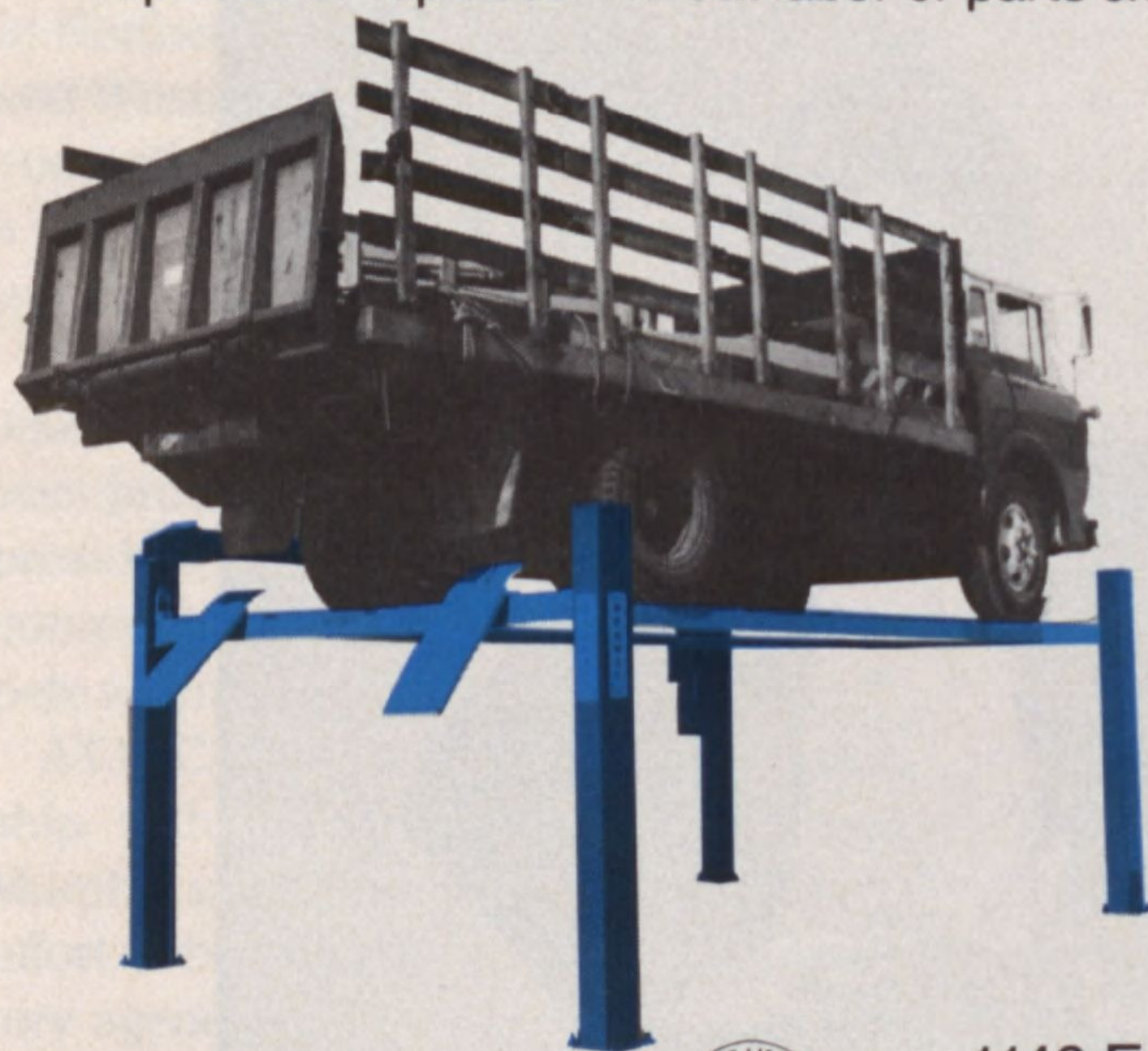
Circle #3 on Reader Service Card

Some lift warranties protect the manufacturer. Benwil's protects you... for four full years.

The fine print in a warranty is there to protect someone, and it's a safe bet that *someone* is the manufacturer. At Benwil, we don't believe in fine print. Our warranty is simple and clear: any defect in parts and workmanship will be repaired or replaced without labor or parts charge, for four

full years, as long as the equipment has been properly maintained and used. It's as simple as that.

The best protection for a manufacturer is a quality product. The best protection for an above-ground lift buyer is Benwil's four-year warranty.



See us at NADA, Booth 1024

When quality is built in,
it doesn't wear out.

BENWIL
Industries, Inc.

1140 E. Sandhill Ave. • Carson, CA 90746

Toll-Free: 800-421-2943 • In Calif: 213-604-0779

All Benwil products are available from GM Dealer Equipment.



BENWIL ABOVE-GROUND LIFT FOUR-YEAR WARRANTY

Benwil Lifts, including motor and electrical parts, are warranted for a period of four (4) years to the original Purchaser, to be free from any defects in parts and workmanship. Any part found to be defective within four (4) years from invoice date will be repaired or replaced by Benwil, without charge for parts or labor, subject to Benwil's determination that the parts are defective and have not been misused by the original Purchaser and subject to original Purchaser's return of any parts claimed to be defective upon the request of Benwil. This Warranty does not extend to defects caused by ordinary wear and tear, abuse, misuse, overloading, accident (including shipping damage), improper maintenance, alteration, or use of lubricating fluids different from those specified in the printed materials delivered to original Purchaser with the equipment. Further, this Warranty

does not cover equipment when repairs have been attempted or made by anyone other than a Benwil authorized service representative.

ORIGINAL PURCHASER'S REMEDY UNDER THIS WARRANTY IS REPAIR OR REPLACEMENT OF THE DEFECTIVE PART OR EQUIPMENT. IN NO EVENT SHALL BENWIL BE LIABLE FOR CONSEQUENTIAL OR SPECIAL DAMAGES WHICH MAY BE SUFFERED BY ORIGINAL PURCHASER AS A RESULT OF ANY DEFECT WHICH MAY ARISE DURING ORIGINAL PURCHASER'S USE OF THE EQUIPMENT. THERE ARE NO WARRANTIES THAT EXTEND BEYOND THE FACE HEREOF, INCLUDING WARRANTIES OF FITNESS FOR PARTICULAR USE AND WARRANTIES OF MERCHANTABILITY.

*For Everything You Always
Wanted to Know About
the NADA Dealer
Candidate Academy –*



See Us At the Convention!

Circle #15 on Reader Service Card

Auto Association News

ATANCA ad guidelines approved by dealers, FTC

In an unusual partnership between a dealer association and the federal government, the Automotive Trade Association National Capital Area has issued a set of dealer guidelines on fair automotive advertising that has been approved informally by the Federal Trade Commission.

ATANCA dealers, which include those in Northern Virginia, suburban Maryland and Washington, DC, are in an especially competitive area, and many of them have a very high volume of sales. So advertising has been a concern for some time.

"The dealer image gets pulled down when the public opens up the paper and sees problem ads," says Gerard Murphy, president of ATANCA. "In addition, it becomes difficult, if not impossible, to compete when advertising gets out of hand."

ATANCA has had a long-term relationship with the Better Business Bureau, Murphy says, and wanted to make the effort to be one step ahead of the regulatory agencies.

The Montgomery County (MD) Office of Consumer Affairs started a prototype fair-advertising program in cooperation with ATANCA in 1984, which was more specific than the guidelines later issued by ATANCA. Unlike the ATANCA program, the county program banned specific practices and provided for sanctions against dealers who did not comply. The program was watched closely by the Maryland attorney general's office and the FTC, which expressed concerns about it.

When ATANCA developed its guidelines, it sent them to the FTC to make sure it wasn't violating anti-trust laws. It received an informal, written opinion approving the guidelines, which Murphy says is "almost impossible to get."

This is how the program works: Inquiries from consumers will be handled through AUTOCAP (Automotive Consumer Action Panel), NADA's program for resolving consumer problems. ATANCA's Dealer Advertising Committee will act as a review panel for complaints from consumers, consumer agencies and other

dealers. To ensure full use of the program, dealers may raise concerns about other dealers anonymously.

If a dealer challenges a complaint, the committee can render a decision. If it is against the dealer, an informal effort will be made to persuade the dealer to change the ad, but as Murphy points out, it will be in the dealer's interest to support the committee's decision.

The 11 guidelines include the following:

- The words "list" or "sticker" in new-car ads should refer only to the manufacturer's suggested retail price.

- Any auto ad that makes underselling claims should be capable of being substantiated.

- Advertising that uses the word "invoice" should be used only to mean the manufacturer's actual wholesale cost in-

voice to the dealer. Dealers advertising autos for sale "at invoice" should fully disclose any additional charges.

- When an auto ad contains an offer of a discount in relation to an advertiser's own former price, the former price should be genuine, that is, it should be the actual price at which the advertiser sold (or if not sold, offered in good faith with an intention to sell) the product for a reasonable period of time.

Kentucky ad hoc committee drafts bills for legislature

The Kentucky Automobile Dealers Association has found it useful, in addition to its standing legislative committee of about 25 dealers, to form an ad hoc legislative committee of five or six members to draft model bills to be introduced before the legislature. The committee was

LEASING

There's a fortune in it.

Especially for the fortunate few who will establish their dealerships as leasing leaders now.

With Admark's copyrighted marketing and advertising system, one dealer in each *television* ADI can secure the lion's share of today's emerging individual lease market, and hold that lead indefinitely.

Are you the dealer we're looking for in your trade area? Call or write for more details immediately.

ADMARK INCORPORATED

1008 E. THOMPSON LANE
NASHVILLE, TENNESSEE 37211
800/251-1416 • 615/833-7104

GET TO KNOW THE SOFTWARE THAT ALREADY KNOWS YOU.

Introducing ADAMS/36
for IBM System/36

Developed by an auto dealer for auto dealers, the affordable Auto Dealers Accounting & Management System knows your business. It's an all-new package. But it understands your needs like an old friend.

We'll share our time-saving, money-making secrets.
Call or write today:

APPLICATION
SOFTWARE, Inc.

1600 Old 63 South
Columbia, MO 65201 (314)442-3035

Circle #1 on Reader Service Card

Circle #4 on Reader Service Card

formed last year to study certain measures that the association had problems with in the last legislative session, says KADA Executive Vice President Robert Newberry. It is made up of individuals who have a special interest in the issues but are not lawyers.

Since the Kentucky legislature only meets every other year, the ad hoc committee had a full year to draw up legislation on the issues of greatest interest to the association. One is whether a license plate stays with a vehicle or with the individual. The association is lobbying for the latter, partly for insurance purposes. KADA also plans to introduce safety belt legislation for the first time in January. Newberry estimates it has a 50-50 chance of passing. ■

Dealers donate Honda in safety belt contest

Seven greater Baltimore area Honda dealers have donated a 1986 four-door Honda Accord as the grand prize in the Greater Baltimore Area Safety Belt Project, a month-long contest to promote the use of safety belts.

The project was launched with a press conference at the Hyatt Regency Hotel in Baltimore, where Mayor William Donald Schaefer proclaimed November as Safety Belt Month. Metropolitan area county executives issued similar proclamations. Giant Food provided safety belt pledge cards to its stores and the dealers. The pledge card, when signed, commits the driver or passenger to use safety belts throughout 1985-86, and also made them

eligible for several prizes donated by area companies.

The project objectives, as explained by the chief sponsor, the Maryland Association of Women Highway Safety Leaders, are threefold: to avoid needless traffic fatalities by encouraging the use of safety belts by drivers and passengers; to increase safety belt use among drivers and passengers through education and demonstration, and to win for Baltimore the annual Santa Fe Mayor's Challenge Award, given for the highest increase in safety belt use by a city.

Participating Honda dealers are Bel Air Honda, Brown's Honda, Griffith Auto Park, Griffith Honda, Luby Honda, O'Donnell Honda and Northwest Honda. □

—Joan Mooney

New Benwil VBG-320 Disc Brake Lathe



- Machines both sides of disc in one operation, on or off the vehicle
- Machines front and rear discs
- Light weight, easy to use
- Can be bench-mounted

See us at NADA,
Booth 1024

Not a grinder, this precision brake lathe machines discs in just 15 minutes. Finished discs are equal to OEM parts in parallel accuracy, surface finish and lateral run-out. Can be operated unattended; motor has overload protection. Six reversible cutting edges provide maximum life and are easily replaced. Precision machine tool has universal 4- and 5-lug adapters, is easily mounted.

Benwil®

Wheel Service Equipment, Inc.

1140 E. Sandhill Ave.
Carson, CA 90746
Toll-Free: 800-421-2943
In Calif: 213-604-0779



Circle #7 on Reader Service Card

Don't get hung up looking for keys.



You might lose a sale.

If you're losing sales while your sales staff is hunting for keys, let Supra get you off the hook with Supra MAX.™ It keeps your sales staff on the lot selling, and it keeps your vehicles secure.

With the Supra MAX, your key remains safely with the vehicle. Only our Title® key, which locksmiths

are not equipped to duplicate, can open the Supra MAX. This one-key system eliminates losses, duplications, and confusing key boards. It's also the toughest and most durable automotive key box on the market.

So if you want the best key boxes made, give us a call about the Supra MAX and our other styles of auto key boxes.

They'll keep your sales staff on the lot selling.



SUPRA

WE OPEN DOORS FOR YOU.

Supra Products, Inc.

P.O. Box 3167, Salem, Or. 97302
(503) 581-9101 (800) 547-0252

Circle #20 on Reader Service Card

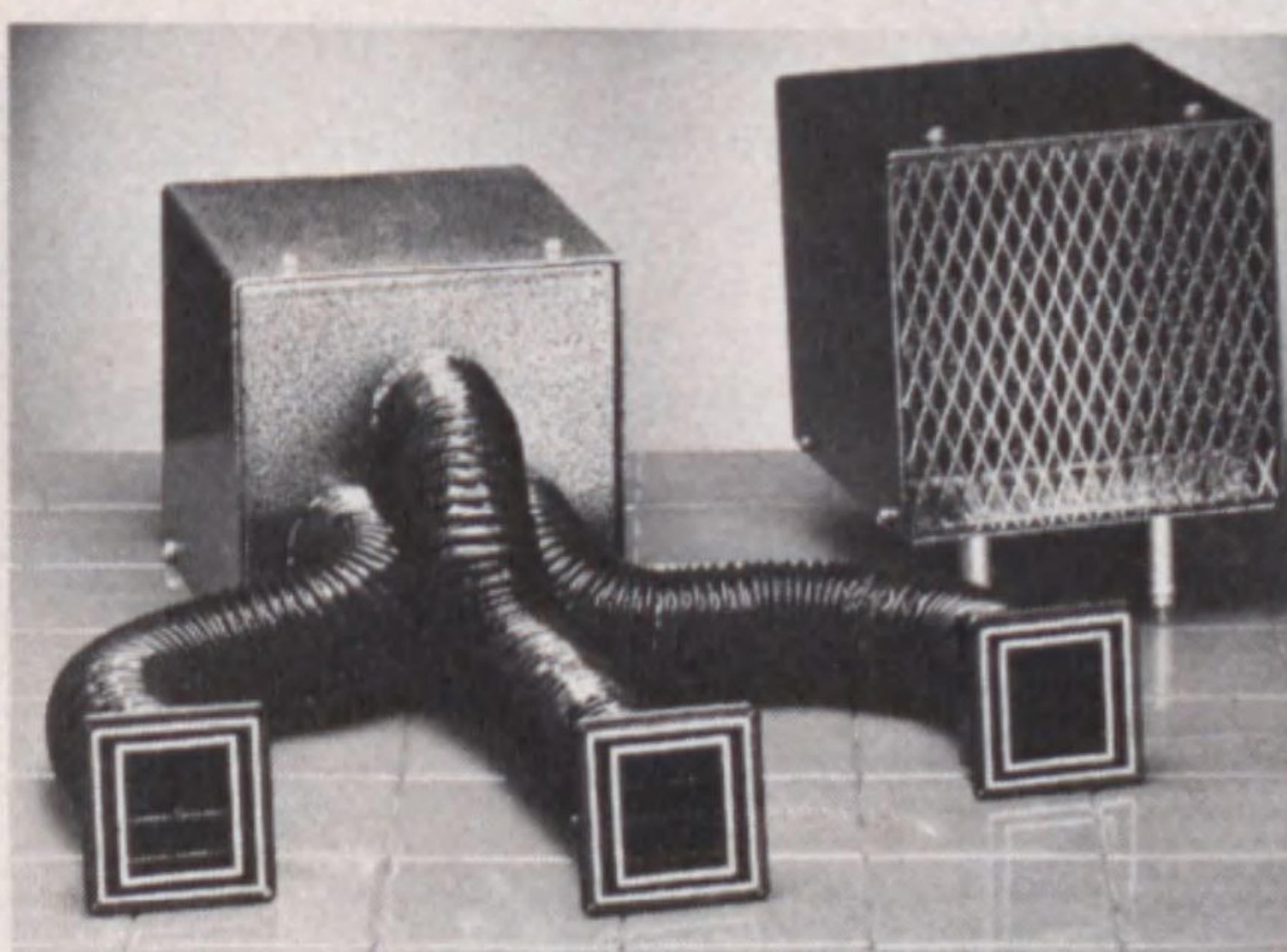
Showcase: What's New on the Market

Customer Relations Service has added **customized candy jars** to its program that follows up customers with a gourmet food gift, thank you card and customer satisfaction index response card. Dealers have their choice of gourmet jelly beans or fancy wrapped assorted hard candies. The apothecary type jars are silk-screened in any color with the name, logo and/or message from the dealership. ■
Circle #41 on Reader Service Card



The Thermal-Aire II **remote auxiliary heater** is a powerful three-speed fan for vans that generates an additional 15,000 British thermal units of forced air warmth. It connects to a vehicle's present water heating system in less than an hour. The heater's compact size allows for mounting in cars, trucks, boats, farm equipment or other 12-volt vehicles. Constructed of heavy gauge steel, protective front and rear grill and a polyester powder coat finish, each heater has a one-year limited warranty. The heater comes in two models: one for free-standing open installations, and a new model with hoses and vents for remote applications. ■

Circle #52 on Reader Service Card



Designed Data Systems has developed an **automated system for new-car sales**. "Quote" is a turnkey system that gives quick access to specification and current prices on all domestic and import cars and trucks. The system also provides hard copies of cost and retail dollar amounts of the vehicle, and retains the quote for future reference. ■

Circle #42 on Reader Service Card

A new-car dealer **discount coupon book** from Entertainment Publications is designed to increase customer satisfaction. A dealer gives away the discount coupon book offering over \$1,000 in savings to customers—which the customer will spend back many times over in the service department. The coupons offer discounts on scheduled maintenance from 3,000 miles to 48,000 miles when performed at the dealership. ■

Circle #45 on Reader Service Card



An aerodynamic front air dam, contoured rocker panels (side skirts), rear wraparound lower skirts and a rear spoiler provide **distinctive finishing touches** to the 1986 Pontiac 6000 four-door sedan. The body parts are designed, engineered and manufactured by Pacific Auto Accessories. ■

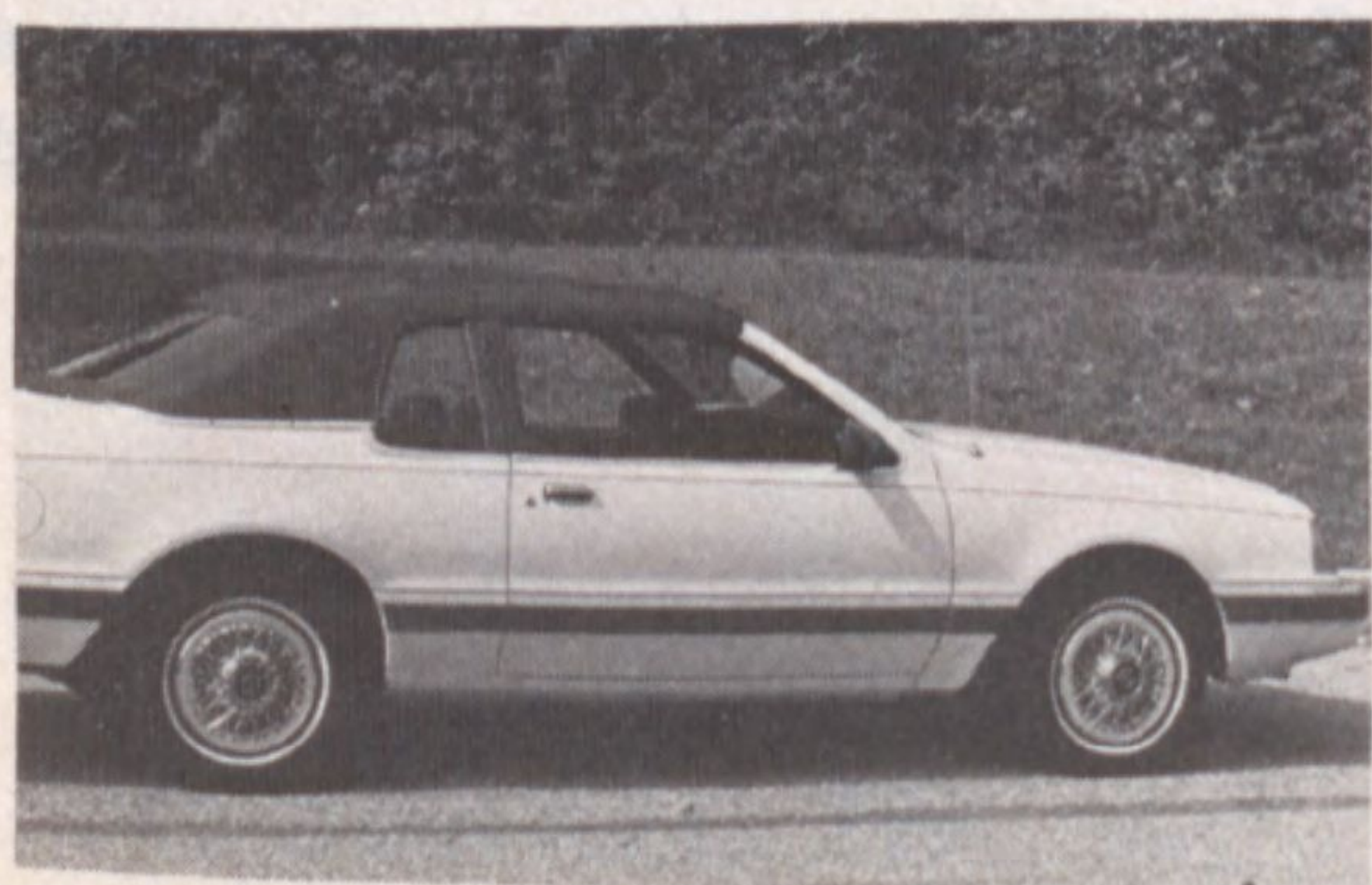
Circle #50 on Reader Service Card

Amel International has introduced the Rollco above-ground, twin-post electromechanical **lift**. Using a new design geared toward safety, these lifts operate on a motor-driven screw system. The two large screws used to lift are driven indirectly by a motor-and-chain assembly. The motor has an automatic overload cutoff switch, and if the chain loosens, a micro-switch is activated, shutting down the unit. The lifts lubricate themselves by using the centrifugal forces of the spinning screws. ■

Circle #40 on Reader Service Card

E&G Classics offers the sporty look of a **simulated convertible top** for the T-Bird, available in 12 vinyl colors and four canvas colors. ■

Circle #44 on Reader Service Card



LoKost Marketing offers **used rent-a-car insurance** to dealers without their having to buy a franchise, license or trade area. Insurance companies generally demand a written 12-month "accident loss run" from the company now insuring your rental cars. Dealers who have not bought rent-a-car insurance previously may be able to buy it by contacting LoKost's group insurance buying and training program. Lo-Kost is a licensed broker for several large insurance companies and a consultant with a copyrighted, in-dealership training program plus a required 100-question test. ■

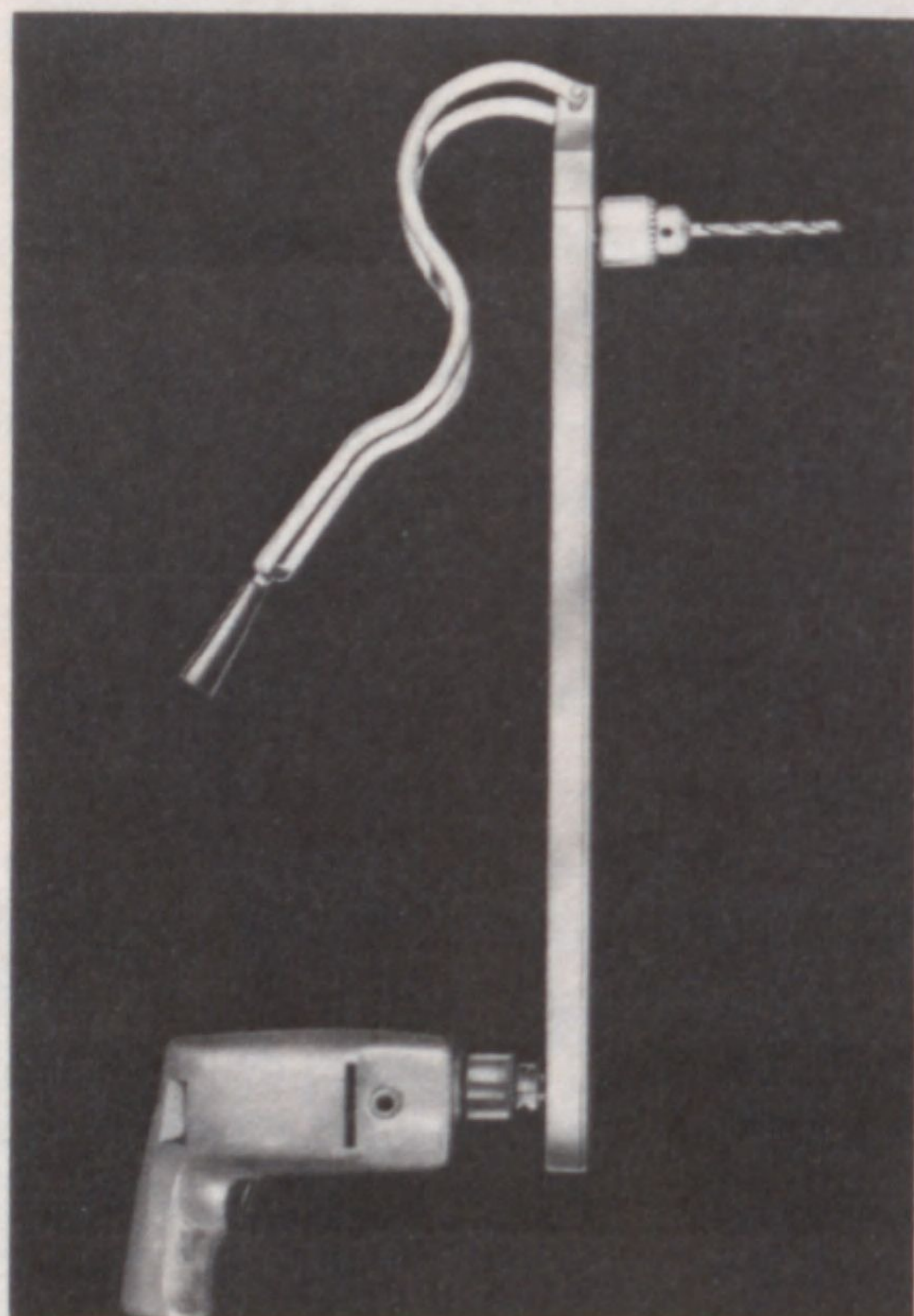
Circle #47 on Reader Service Card

Unique Car Enterprises has come out with a **Mercedes-Benz 560 SL Mini**, a scaled-down version of the convertible that will delight children in the showroom and can go up to 15 mph. It has a steel tube frame and hard-laid fiberglass body, fired and finished in black, silver, red or white. The body can be washed and waxed just like the original SL. It is battery-operated, with a two-speed shift and reverse, clutch, brake and accelerator pedals, padded horn, rack-and-pinion steering and front and rear bumpers. ■

Circle #54 on Reader Service Card

The MacGregor Manufacturing Co.'s **Drill-X-Tend** can add 12, 18 or 24 inches to the reach of any standard 1/4-inch or 3/8-inch drill. It consists of a permanently attached, conventional drill chuck driven by a chain sprocket. No power is lost when the attachment is used. ■

Circle #48 on Reader Service Card



Du Pont's new Kwik Prep 244S, a one-step **metal conditioner**, is designed to simplify surface preparation procedures for most paint shop applications. It conditions metal, stabilizes the surface for prep-coating or priming, and offers better corrosion performance, says the manufacturer. It comes ready to apply; no mixing or dilution is required. ■

Circle #43 on Reader Service Card

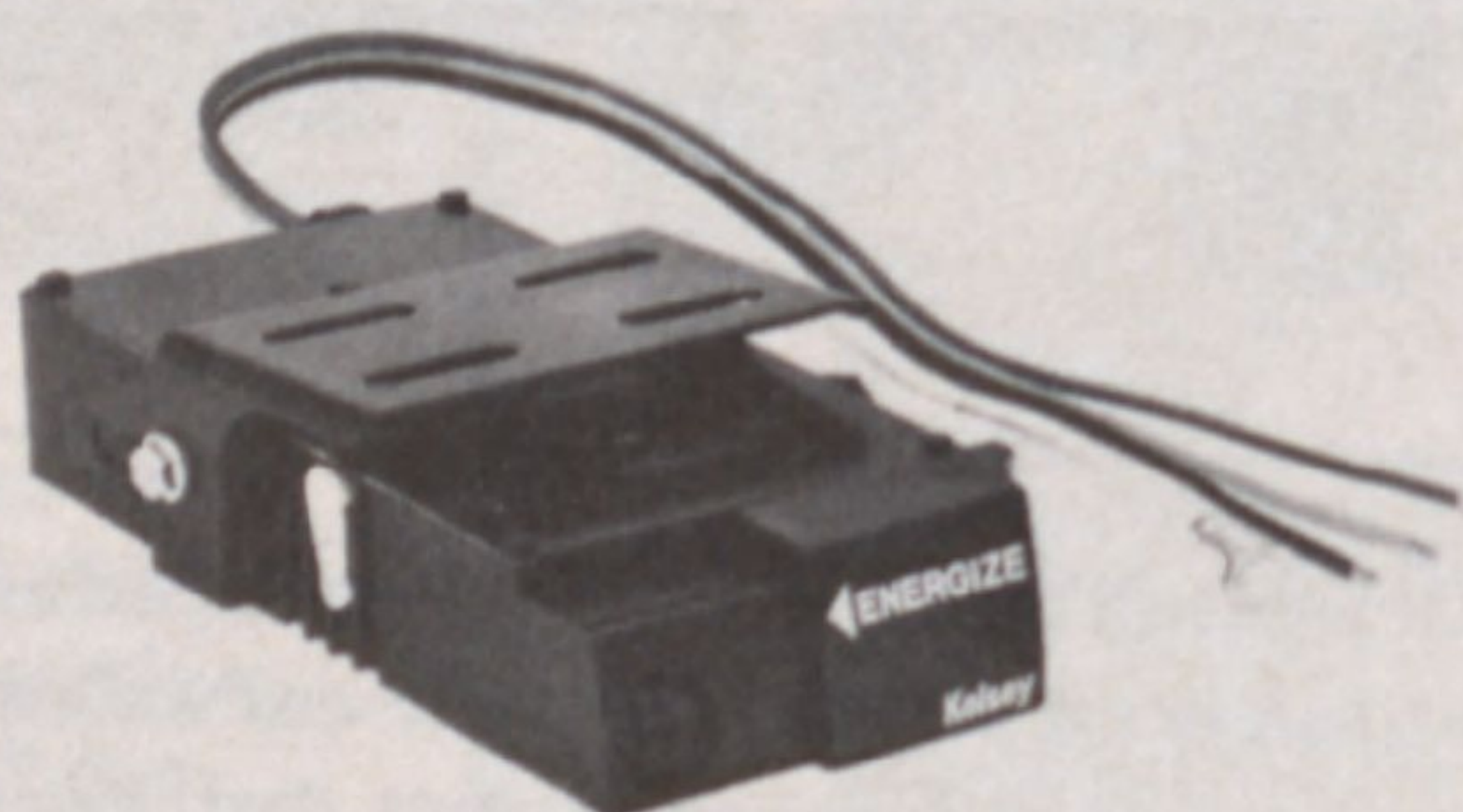


Union Carbide announces Tuff Stuff concentrated **degreaser**, a multipurpose degreaser designed for use on any washable surface, including fabrics. It removes oil and road film from auto engines, tools, garage floors, car mats, whitewalls, chrome, carpets and other auto interior surfaces. Tuff Stuff comes in 16-ounce and 21-ounce liquid pump sprays. ■

Circle #53 on Reader Service Card

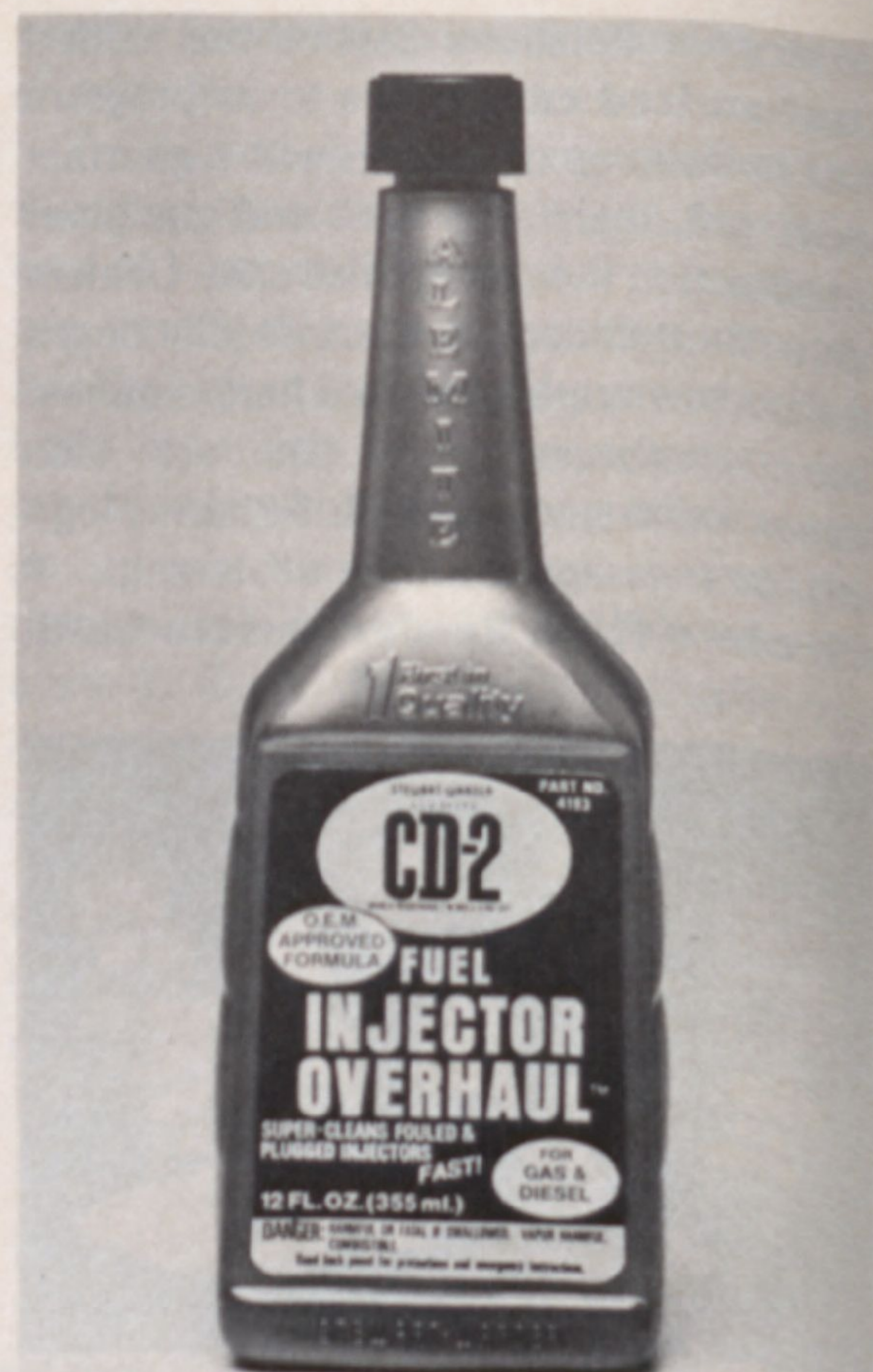
Ferrox is a **non-slip safety coating** from Martex Safety Products that protects against slips and falls caused by hazardous floor conditions. For as little as 60 cents per square foot, Ferrox resists water, fuel oil, grease and most chemicals. It is easily applied and dries within hours of application. Available in one- and five-gallon containers, Ferrox comes in several colors. ■

Circle #49 on Reader Service Card



Kelsey-Hayes Co. has introduced an all-electronic solid-state **brake controller** (#81741) for electric trailer brake applications. It is designed to offer smooth, even braking with a four-wire hookup. The #81741 is easy to install and is compact and light, weighing 12 ounces and measuring 3 1/4" by 6 1/2" by 1 1/4". The built-in load control allows for balancing the trailer brake system to the tow vehicle's system. Fine-tuning load changes are accommodated by dialing a knob for smooth braking. The brake controller is designed for trailers with two- and four-wheel brake systems with automatic and manual brake application. An indicator brake light provides visual assurance of operation. Overload (short) protection is also included. ■

Circle #46 on Reader Service Card



Stewart-Warner has put out a new **CD-2 fuel injector overhaul** that cleans injectors and nozzles more quickly and thoroughly than other gas additives, the manufacturer claims. It works in both leaded and unleaded gasoline and will not harm catalytic converters. Retreatment is needed only every 2,500 miles. ■

Circle #51 on Reader Service Card

Under the Universal Computer Systems' **Instant Purchase Order system**, when a purchase order is charged to a vehicle in inventory, the inventory amount is instantly updated to reflect the increased value in both the accounting system and the vehicle inventory system. The Purchase Order system also checks to make sure the stock number entered is actually in inventory. This check prevents bills that cannot be traced to any unit in stock. ■

Circle #55 on Reader Service Card

PURCHASE ORDER TO:		UNIVERSAL COMPUTER SYSTEMS, INC.		2001
ADDRESS: 1001 N. 10TH ST.	ST. LOUIS, MO. 63101	TELEPHONE: (314) 771-1111	FAX: (314) 771-1111	
DATE: 1/1/86	TIME: 10:00 AM	BY: CONTROL REP	DATE: 1/1/86	AMT: 1.00
VOID		UNIVERSAL COMPUTER SYSTEMS, INC.		

WARRANTY REVOLUTION!

**NOW! LIFETIME
WARRANTIES ON**

WAXOYL

Rust Preventive

GLAZE-GARD

Paint Sealant

FAB-GARD

Upholstery Protector

UNDER-GARD

Underbody Protector



**ONLY WAXOYL & AI TRUST THEIR PRODUCTS'
PERFORMANCE ENOUGH TO BACK ALL FOUR WITH
LIFETIME WARRANTIES!**



**AUTOMOTIVE
INTERNATIONAL, INC.**
Cincinnati, Ohio 45242

We're telling your customers who are shopping for the total car-care package: **SKIP THE SALES TALK. BUT STUDY THE WARRANTIES. WHAT'S IN PRINT IS WHAT YOU GET.**

**For advance information, see us at
NADA booths 378-428 or phone
800-543-7156**

[Canada: 800-387-3760, Ohio: collect 513-489-7883]



Booth D. The future starts



here.

It's a preview. Electronic Data Systems Corporation (EDS) is bringing 23 years of systems integration and facilities management to the Automotive Industry and the GM Dealer Community. Here... at the 1986 NADA Convention. February 1-4. New Orleans.

Get a line on the future. Talk with EDS's Dealer Information Systems Division (DISD). Visit Booth D.

EDS

DISD

Electronic Data Systems is a wholly-owned independent subsidiary of General Motors.

Circle #11 on Reader Service Card